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ABSTRACT

This report presents a collection of papers that focuses on a coordinated approach to raising the socioeconomic status of Hispanic Americans living in California. After presenting "The Need for a Coordinated Approach," the papers are: "Preschool Access" (Theresa Garcia, Sandra Gutierrez, and Giovanna Stark); "K-12 Performance" (Patricia de Cos, Christine Aranda, Cirenio Rodriguez, and Sonia Hernandez); "College & University Performance" (Patricia Gandara); "Digital Divide" (Saeed Ali, Diana Rude, Raul Araujo, Richard Chabran, and Karen Origel); "Business Development" (Gus Koehler, Trish Kelly, Manuel Pastor, Sam Perez, and Alfonso Salazar); "Employment & Training" (Alicia Bugarin, Philip Martin, and Francisco Rodriguez); "Community Building and Redevelopment" (Belinda Reyes, Kim J. King, and Nestor Ruiz); "Pensions & Investments" (Marco Rodriguez, David B. Felderstein, and Leo Aguinaldo); "Media, Culture, & Information" (Jose Perez, Refugio Rochin, and Kathy Low); "Health Care" (Richard Figueroa); and "Safe Neighborhoods" (Marcus Nieto and Arturo Venegas). (SM)

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A Coordinated Approach to Raising the Socio-Economic Status of Latinos in California

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MARCH 2000

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Contributors

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The Need for a Coordinated Approach

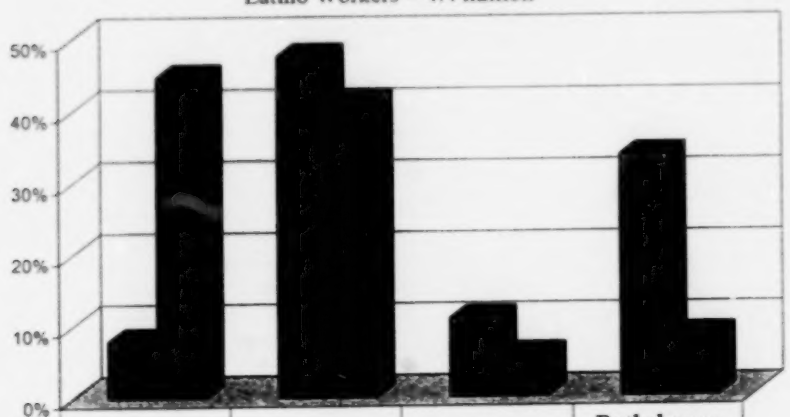
The report, *Latinos and Economic Development in California*,[1] published nine months ago, found that the growing presence of Latinos in California represents both a challenge and an opportunity.

The challenge is that Latinos currently have the lowest wages of any ethnic group. According to the report, they do so principally because of their lower levels of educational attainment. For instance, of the Latinos in the workforce, 45 percent have less than a high school diploma. Only eight percent of non-Latinos had similarly low levels of education. The chart below further compares the educational attainment of Latino and non-Latino workers in California.

Chart 1

Educational Attainment of Workers in California, 1998

Latino Workers = 4.4 million



	No HS	HS	Associate	Bachelors or more
Non-Latino	8%	48%	11%	34%
Latino	45%	41%	6%	8%

Source: California Research Bureau using the 1998 March Current Population Survey.

Why should we care? Currently, 50 to 60 percent of the population growth in California is attributable to Latinos. In three decades, Latinos have gone from being 12 percent to

[1] http://www.library.ca.gov/crb/99/08/99008.pdf

31 percent of the population. Projections estimate that by 2025, Latinos will comprise over 40 percent of the population and will be the largest ethnic group in the State. In our public schools, Latinos are already the largest ethnic group. The earnings and the tax base that they represent are therefore vital to the State's economy.

This brings us to the opportunities from the growing presence of Latinos in California. According to the report, the economic benefits to California for educating Latinos to the levels of non-Latinos are sizeable. In the long run, the economic benefits for the State are estimated at $28 billion in the form of increased wages circulating in the economy. For the State, this would mean $1.7 billion more in income tax revenues.

How do we raise the educational attainment of Latinos in California? For the past nine months, staff from the

- Latino Legislative Caucus,
- Hispanic Republican Caucus,
- Assembly Committee on Education, and
- California Family Impact Seminar

have been working together to try to formulate strategies at the State level. During that period an informational hearing, a seminar, and a policy roundtable were held. From these public events, it soon became apparent that strategies to raise the educational attainment of Latinos require a more comprehensive approach. As one participant noted, "We need a systems approach."

To raise the educational attainment of Latinos, we need to not only consider the K-12 and higher education systems, but we must also look to preschools, economic development agencies, the private sector, community based organizations, and so on. This paper has 11 different sections that correspond to the topics listed in the middle of the diagram shown on the next page. This report takes the first step in a systems approach by bringing 33 persons, each with different backgrounds, to share their knowledge or vision on a given subject area in six pages or less. Some sections include options for further consideration. The purpose of this paper is not to provide a comprehensive treatise on a particular issue, but rather to get the reader to start thinking about linkages that can occur across the different sectors.

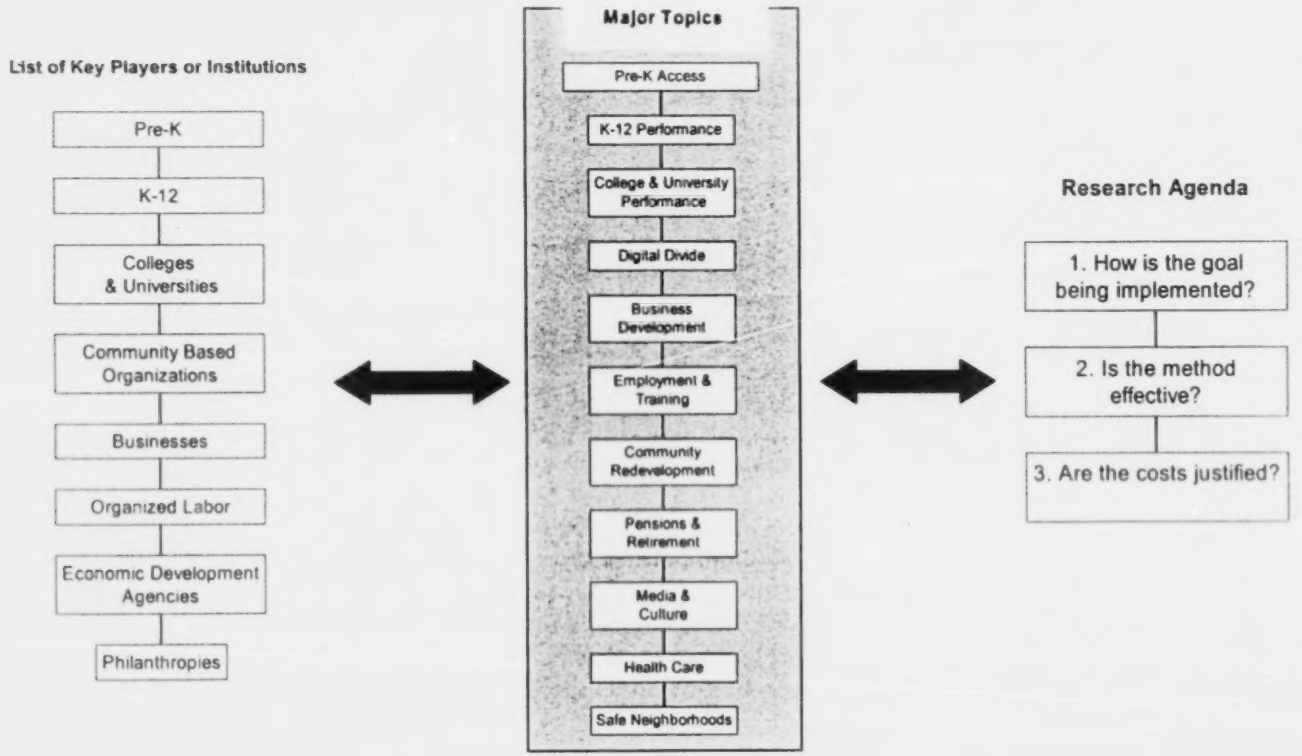
This paper is analogous to a marketing report where gaps in services and market opportunities are identified. The economy and the demography of California are changing. That has implications for the delivery and the type of services required. Studies like these could prove invaluable toward this end.

Many of the issues raised in this report, however, are not specific to Latinos. Within any given community, there are people from diverse backgrounds. Moreover, Latinos are of many races and nationalities. In looking at the issues raised in this document, we need to consider how to implement solutions to help all the residents of a particular community, Latinos and non-Latinos alike.

Diagram 1

A Coordinated Approach to Raising the Socio-Economic Status of Latinos in California

At a Glance



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Preschool Access

By
Theresa Garcia, Sandra Gutierrez, and Giovanna Stark[2]

In trying to explain why Latinos have a higher propensity to drop out of high school prior to graduation or a lower likelihood of going to college, focus is often centered on factors related to the socio-economic conditions of the family. Important as these factors are, current child development research highlights the impact appropriate early childhood education has on long-term educational success.

The preschool years are a time of rapid development and learning. This period provides a tremendous window of opportunity to work with both the child and the parents. Many early childhood education programs have recognized the value of interacting with the parents as well as the children, and are serving as a one-stop center for parents with young children. Ideally, during this time period, children are learning to count, learning their ABCs, and acquiring the cognitive and social skills necessary to successfully negotiate the world of school. Under optimal conditions, this can also be a time for early diagnosis of learning difficulties, learning English for children from families with a primary language other than English, and referral to needed health and social services. For programs working with the parents, a variety of services can be provided to address their needs. Classes on child development theory, exposure to the structure of the school and college systems, employment and training opportunities, financial planning, and business development are all potential areas of interest.

This vision could be taken one step further. These programs, which are locally based, could continue to guide parents with the education of their children through the K-12 years. For Latinos, however, there are several issues that still need to be addressed for this vision to become a reality.

1) Under-utilization of preschool. Overall, Latino use of preschool is significantly lower than that of other ethnic groups. According to the California Research Bureau Note, *Who's Least Likely to Attend Pre-School*, only 24 percent of Latino children went to preschool the year before kindergarten. This is a noticeable contrast to 57 percent of White students and over 40 percent for both Asian and African-American students. Following is the usage rate by ethnic group:

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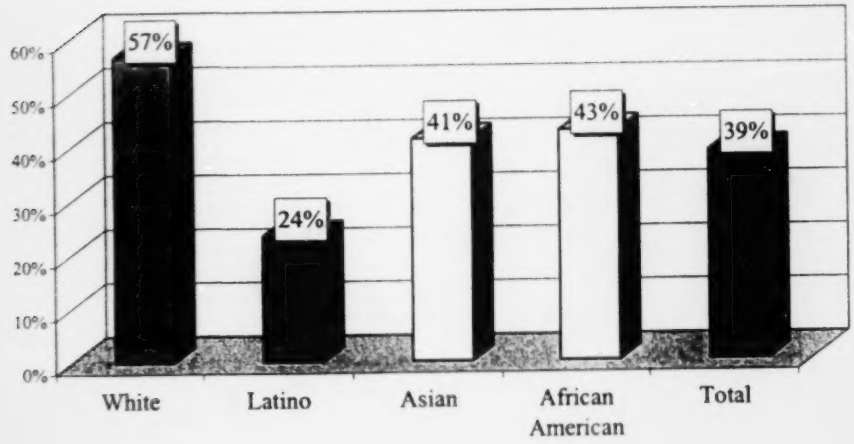
[2] *About the Authors:*
Theresa Garcia is a Legislative Consultant for the Assembly Education Committee and works on preschool issues.
Sandra Gutierrez is a Proposition 10 State Commissioner. She is also a Child Care Resource Administrator for the County of Los Angeles.
Giovanna Stark is the former Executive Director of the Child Development Policy Advisory Committee.

Chart 2

Children in Kindergarten Who Attended Pre-School the Year Before, California 1997

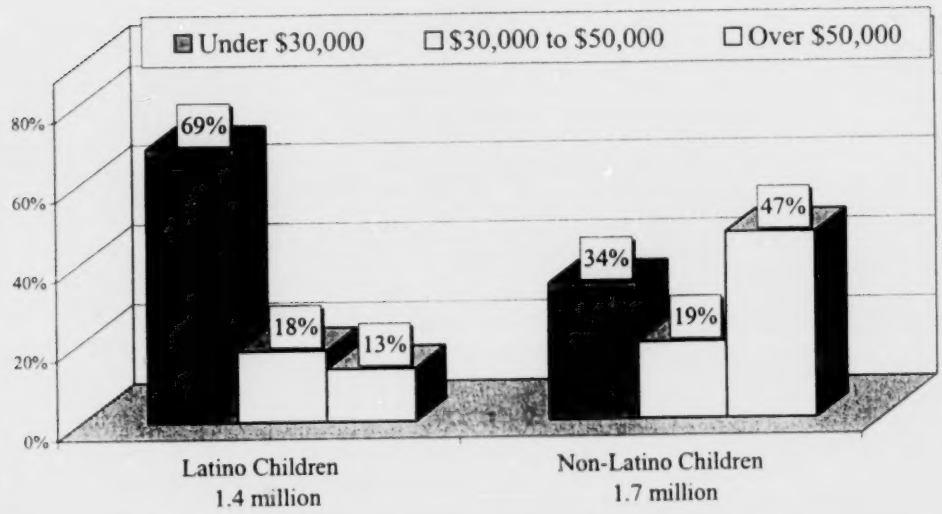


Source:
California Research Bureau of the California State Library using the 1997 October Current Population Survey. Estimates for this graph on Asians and African Americans are based on a small sample size and thus may be unreliable.

2) Affordability. One factor in the under-utilization of preschool by Latino families may be economic conditions. The chart below shows that the overwhelming majority, 69 percent, of Latino children under the age of five are in families with incomes under $30,000. In sharp contrast, close to 50 percent of non-Latino children are in families where the income exceeds $50,000.

Chart 3

Family Income of Children Five Years or Younger in California, 1999



Source: California Research Bureau using the 1999 March Current Population Survey.

3) Quality of Preschools. The quality of private and non-profit preschools can vary considerably, as the State has little oversight on issues unrelated to safety or staffing. State preschools operated by school districts and Head Start programs may also vary in quality. However, there should be more consistency as they must meet State requirements and follow State regulations. Low-cost private preschools or family day-care homes, which may be the only option available for low-income Latino families, are more likely to provide a lower quality program.

4) Preschool location. In addition to income, the location of preschools may play a considerable role in the lower utilization rate among Latinos. According to the report, *An Unfair Head Start: California Families Face Gaps in Preschool and Child Care Availability,*[3] the supply of preschools declines in communities with higher concentrations of Latinos. Whether the lack of availability is due to real market forces or a perceived lack of interest in preschool by the Latino community, the result is limited opportunities for a large segment of the population.

5) Transportation. Integrally related to location is the availability and accessibility of transportation to child development centers. The amount of supplies required when transporting young children, along with often-limited transportation schedules, can discourage parents from enrolling their kids in preschools when public transportation is their only option.

[3] Bruce Fuller, Casey Coonerty, Fran Kipnis, and Yvonne Choong (1997). *An Unfair Head Start: California Families Face Gaps in Preschool and Child Care Availability.* PACE Center.

6) Hours of preschool operation. The limited availability of preschool with extended childcare services during non-traditional hours may reduce participation further. Parents who work early in the morning or late at night are often unable to access preschool for their children. Operation of preschool facilities during non-traditional times needs to be explored and encouraged, particularly in areas with large Latino populations that work in the agricultural industry or in service industries that require night and weekend work.

7) Language barriers. Families that do not speak English are likely to have a more difficult time accessing preschool and communicating with the providers. Leaving a young child in the care of others often causes parental anxiety. Leaving a young child in the care of providers who do not speak the same language, and with whom they cannot comfortably communicate can be too much to contemplate. Preschools in areas with large Latino populations can decrease these barriers by ensuring that staff is fluent in the language of the local families and by ensuring a comfortable transition for the students to an English speaking environment.

8) Eligibility criteria and documentation requirements. Many low-income families may rely on public subsidies to absorb all or a portion of the cost of preschool. The eligibility requirements and the documentation necessary to support those requirements are frequently overwhelming. For families that move frequently or who may be fearful that any acceptance of public subsidies could jeopardize their immigration status, obtaining and providing the preschool with the necessary documents creates a further disincentive for sending their child to preschool.

9) Complex paperwork requirements. The forms necessary for enrollment in publicly subsidized preschool programs are not only voluminous but also complex. For parents who do not speak or read English fluently, comprehending the vast amounts of information necessary for completing the paperwork may be impossible. This is further exacerbated by the fact that multiple public programs that the family may be eligible for may require the same information and have no interaction with each other. The amount of time necessary to meet all of the paperwork demands may further discourage preschool enrollment.

10) Consumer and professional education. Parents need to be educated about the learning process of young children and the benefits preschool can provide. Parents who do not fully understand the importance of the skills obtained in preschool for later educational success view preschool as a childcare program rather than an educational program. This perspective can affect a parent's decision about whether to send a child to preschool, particularly when faced with multiple barriers. Equally important, preschool staff need to be more fully trained in effective communication with parents, cultural awareness and the importance of integrating parent support into the preschool goals.

11) Recruitment and retention of Latino staff. Providing accessible preschools where parents feel comfortable leaving their children requires that at least some staff reflect

the population to be served. Staff that is familiar with the neighborhood, culture, and language of the children can make the transition to preschool easier for parents and children. Staff that reflects the ethnic and cultural mix of the children also set an example for the expectations and goals of the preschool.

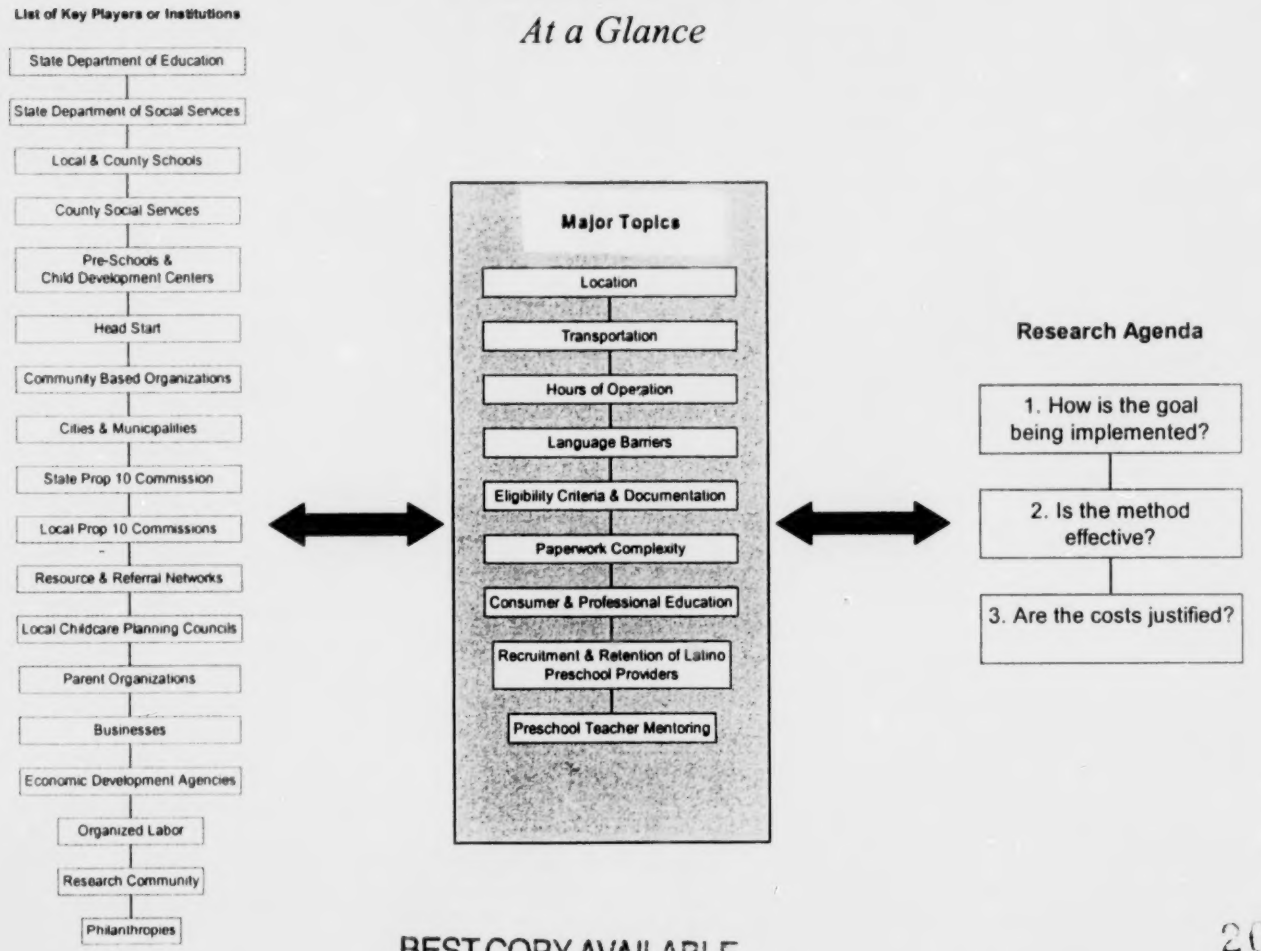
12) Preschool teacher mentoring and support. Compared to K-12 teachers, less education is required to become a certified preschool teacher. Yet, preschool teachers are essential to kindergarten readiness and success. Recently, attention has focused on the role mentoring plays in retention of K-12 teachers. Preschool teachers could equally benefit from mentoring and support opportunities.

The early childhood education community represents a very powerful vehicle of change because many have already adopted the philosophy of working with the parents at the same time that they work with the children. The other sectors described in this paper should consider working more closely with preschools. For example, the business development sector could provide experts to help parents explore the possibility of opening up a business. The same applies for the pensions and investments, the health care field, and employment and training.

Diagram 2

Preschool Issues

At a Glance



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K-12 Performance

By

Patricia L. de Cos, Christine Aranda, Cirenio Rodriguez, and Sonia Hernandez[4]

A review of student performance data for California's public K-12 system reveals an alarming lack of achievement for Latino students. This chapter will present data on drop outs, performance on the State Student Testing and Reporting (STAR) assessment exam, and the course enrollment patterns in mathematics and science. The authors pose a series of questions as the data are reviewed. They also present some issues for consideration and suggest goals for improving the achievement of Latino students to ensure that they are prepared with the skills necessary to lead productive lives in an information-based economy.

In California's public schools, Latinos comprise the largest ethnic group among pupils. Specifically,

- Of the over 5.7 million children enrolled in California's public schools, 40.5 percent are Latino children.
- In kindergarten, Latinos are close to 50 percent of the enrollees.

As these students progress through the public school system, the question that must be asked is, "How can California policymakers and educators enable Latinos to graduate from high school and pursue higher education?" As California continues into an information and technology-based economy, greater demands will be placed on workers. The jobs of the future will require more education, not less.

[4] *About the Authors:*

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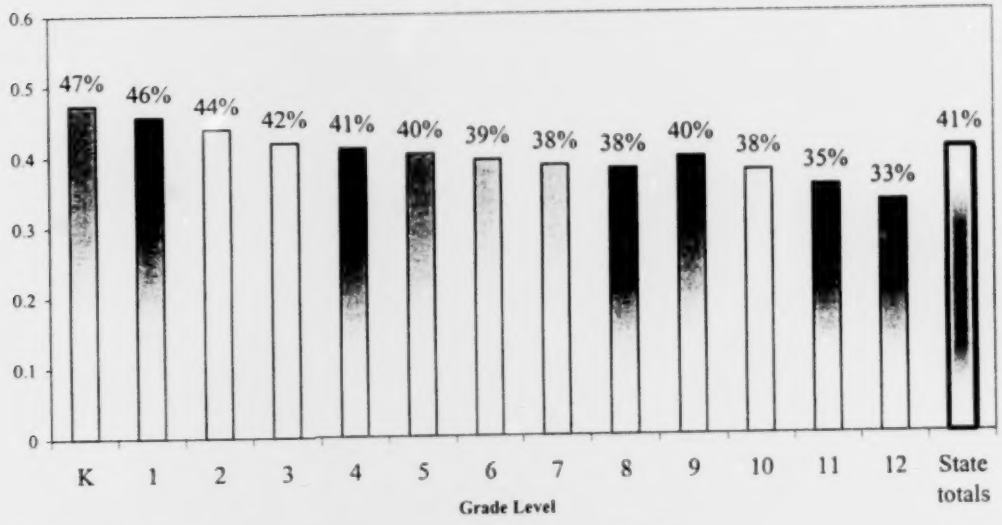
Chart 4

Percentage of Latinos in California Public Schools by Grade Level, 1997-1998



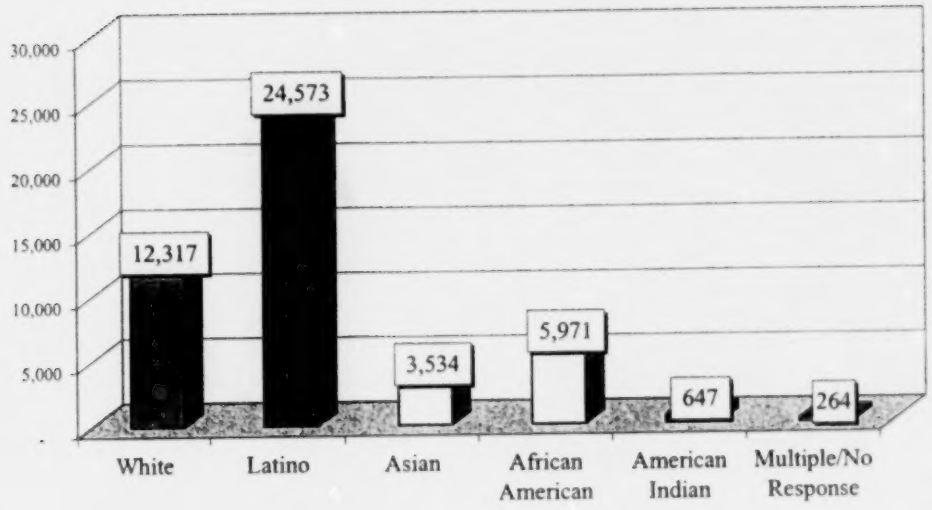
Source: CBEDS - California Basic Educational Data System, 1997-98

Drop Outs

Of particular concern is the number of Latino high school drop outs. More than half of all students that do not complete high school are Latinos. This is illustrated in the chart below.

Chart 5

Drop Outs of California Public Schools, 1997-98



Source: California Department of Education, Educational Demographics Unit-CBEDS.

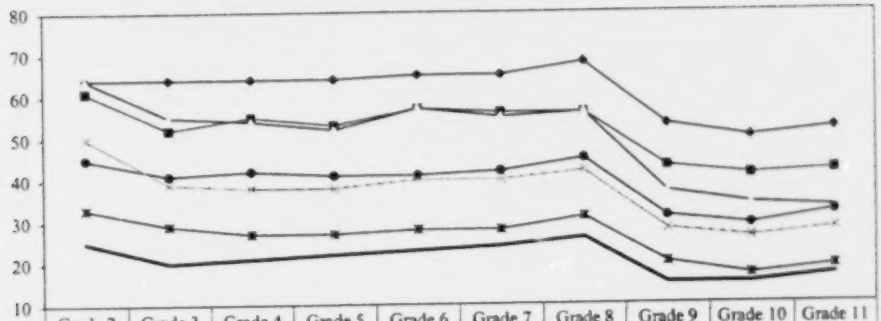
Achievement and Accountability

With the Governor's proposed K-12 general fund budget of $28 billion, representing 40.7 percent of the overall State budget, how can we be sure that Latino pupils receive adequate funding to enable their success through the system? The issue of funding adequacy and equity are especially important for us today amid our State's efforts regarding school accountability. What levels of performance can the State expect based on current levels of funding? Also, what is the most effective way to utilize existing resources to ensure Latino achievement in the context of the State's priorities for accountability and performance?

There are serious concerns regarding the academic achievement of Latinos as reflected in the 1999 STAR program results. As shown in the following chart, Latinos are least likely to score at or above 50 percent of the national percentile in reading. This is particularly troublesome when we consider the importance of reading as a gateway skill for other academic subjects.

Chart 6

STAR 1999 Exams: Percent of Students Scoring At or Above 50% of the National Percentile in Reading



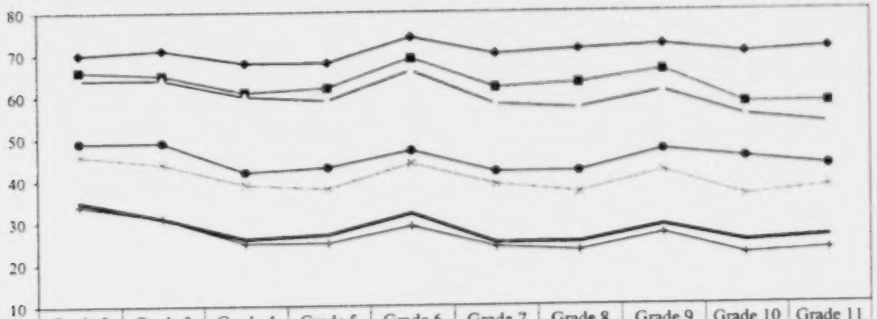
	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11
White	64	64	64	64	65	65	68	53	50	52
Asian	61	52	55	53	57	56	56	43	41	42
Filipino	64	55	54	52	57	55	56	37	34	33
American Indian	45	41	42	41	41	42	45	31	29	32
Pacific Islander	50	39	38	38	40	40	42	28	26	28
African American	33	29	27	27	28	28	31	20	17	19
Latino	25	20	21	22	23	24	26	15	15	17

Source: California Research Bureau using data from the California Department of Education. Results are for all students including students who are Limited English Proficient (LEP).

Latinos' academic performance in *mathematics* is only slightly better than in reading, and Latinos perform only a little better than African Americans when compared to all other ethnic/racial groups in California's public schools.

Chart 7

STAR 1999 Exams: Percent of Students Scoring At or Above 50% of the National Percentile in Mathematics



	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11
Asian	70	71	68	68	74	70	71	72	70	71
White	66	65	61	62	69	62	63	66	58	58
Filipino	64	64	60	59	66	58	57	61	55	53
Pacific Islander	49	49	42	43	47	42	42	47	45	43
American Indian	46	44	39	38	44	39	37	42	36	38
Latino	35	31	26	27	32	25	25	29	25	26
African American	34	31	25	25	29	24	23	27	22	23

Source: California Research Bureau using data from the California Department of Education. Results are for all students including students who are Limited English Proficient (LEP).

There are also concerns regarding Latino academic performance in light of California's large English language learner population, which constitutes 25 percent of the entire pupil population, of which 80 percent is Spanish-speaking. Crucial research questions need to be examined, including:

- How can we be sure that the achievement tests accurately reflect pupils' knowledge?
- How can these academic assessments be used to improve each pupil's learning and the teaching that goes on in the classroom?

College Preparation and School-to-Work

Given the recent establishment of the high school exit examination, how can we ensure that Latino students are given every opportunity to learn the necessary academic standards? How can we ensure that Latinos have access to advanced placement courses? What will best prepare Latinos for post-secondary training and for the world of work? Data on course enrollment are shown in the chart below.

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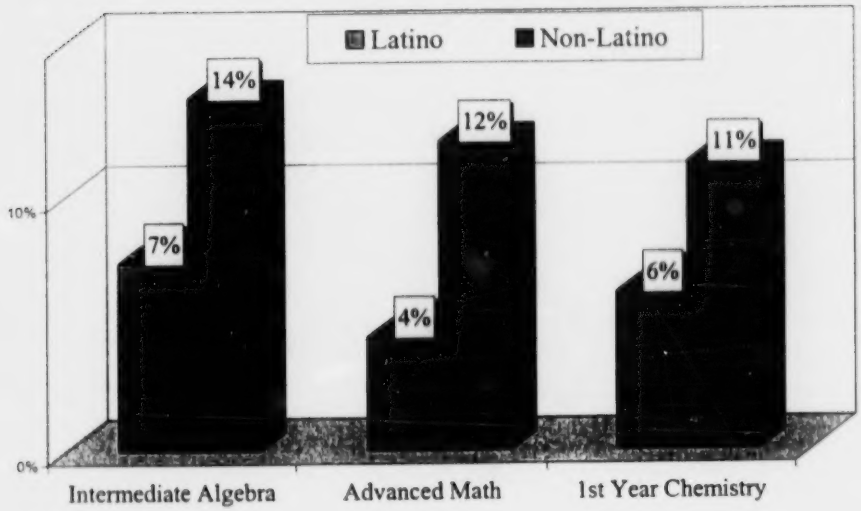
Chart 8

Selected Course Enrollment for High School Students, 1997-98



Source: California Department of Education.

In this chart, we can see that Latinos enroll in intermediate algebra, chemistry, and physics at a lower rate than non-Latinos. The reasons for this trend are not certain. However, it is clear that without strong mathematics and science skills, Latinos cannot aspire to higher education nor can they enter technical careers that will form the basis of much of the economy.

Policy Considerations

We have identified a number of issues that need to be examined and addressed in order to provide Latinos with the best opportunity for succeeding in the K-12 public schools. We need to consider how:

a) Staff and elected officials are educated about demographic changes and the implications they have for the delivery of services;
b) To empower school boards and/or administrators to improve the quality of the teachers;
c) Professionals, including administrators, teachers, counselors, and school nurses are trained to work effectively with culturally diverse students;
d) The curriculum reflects California's cultural diversity as a way to engage and connect specifically with Latinos; and
e) To close the digital divide, so that Latinos will have the requisite opportunities to work with computers and have access to the Internet in preparation of the new information economy.

Goals

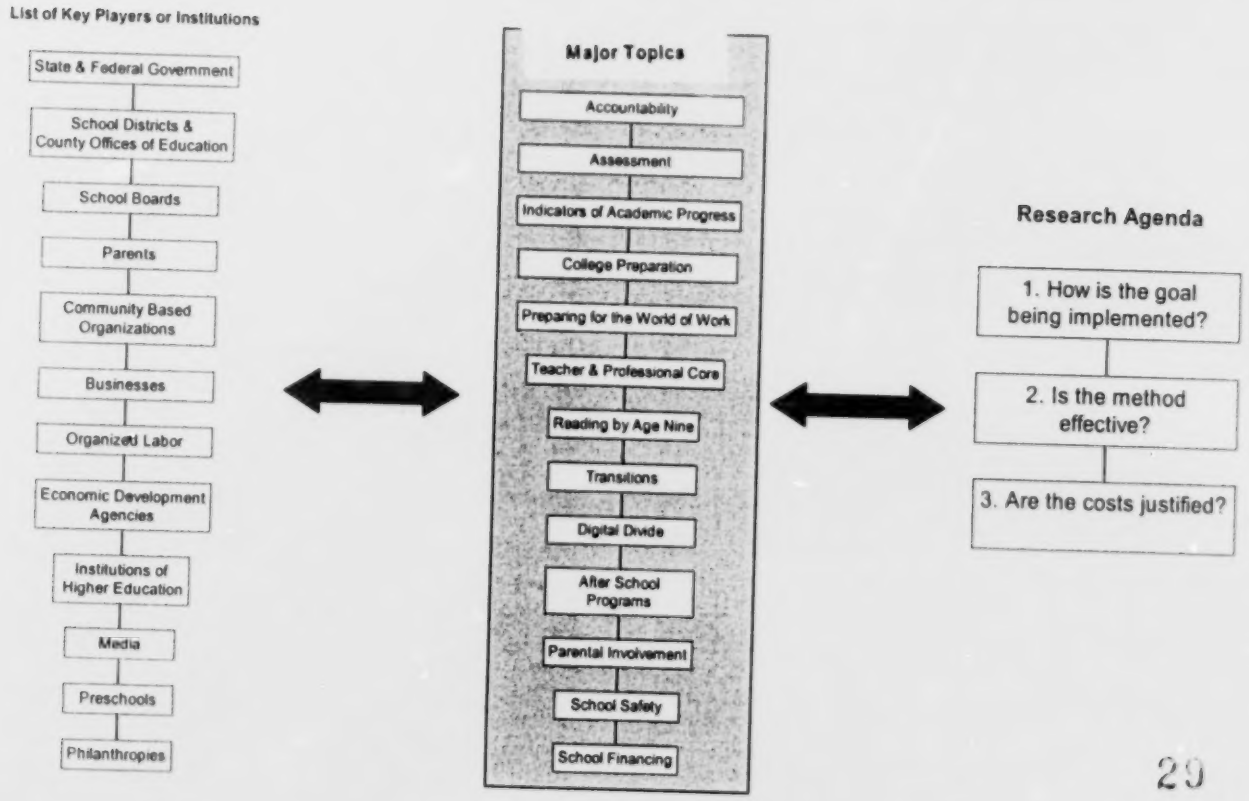
Recognizing that improvement will be accomplished one pupil at a time and one school at a time, we suggest the following goals:

1) Every Latino child is reading and comprehending grade-level material by the end of the third grade;
2) All teachers and other professionals working with Latino pupils are competent and qualified and possess an encouraging and enabling attitude supporting academic success;
3) Appropriate support is provided to ensure that transitions from elementary to middle to high schools are made as smoothly as possible;
4) Latino parents are empowered by being informed and supported to assist in their child's education planning;
5) Schools provide a safe and conducive environment for learning, including adequate school facilities;
6) Latino students who need extra support are identified early and are afforded the support services they need to succeed in a rigorous academic program which emphasizes fundamental academic skills including reading, writing, and arithmetic;
7) Latino students have access to participate in and benefit from extra and co-curricular activities, including student leadership programs; and
8) Latino students are exposed to a wide array of career options in order to select a prosperous career path rather than resort to a "job" by circumstance or convenience.

Diagram 3

K-12 Issues

At a Glance



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College & University Performance

By
Patricia Gándara[5]

In looking at Latinos in higher education, consideration must be given to the following three topics: access to higher education, faculty core, and financial aid.

Access to Higher Education

Access to higher education is critically important for a number of reasons:

(1) in an increasingly complex society, higher levels of education are necessary to maintain economic competitiveness;
(2) workers with higher levels of education earn more and therefore pay more in taxes;
(3) individuals with higher education form the core of the leadership for the state and nation; and
(4) educated individuals from low income communities are more likely than others to return to those communities to provide professional services. Therefore, in order to provide sufficient numbers of doctors, lawyers, and teachers to serve particular communities, it is necessary to educate individuals from those communities.

Unfortunately, proportionately fewer Latinos are able to gain access to higher education than any other ethnic group in California, and this holds real consequences for the future of this State. For example, while Latinos represent 28 percent of the labor force, they earn only 19 percent of the wage income. The single biggest reason for this discrepancy is the education gap between Latinos and all other workers–33 percent of White wage earners have at least a bachelors' degree, but only 8 percent of Latinos are similarly well educated. As Latinos form a larger share of the population, this education gap will affect the economy.

Currently Latinos comprise one-third of the students graduating from our public high schools. Yet, according to the chart below, they are only 13 percent of the total enrollees at the University of California (UC) system. The California State University (CSU) system is another route to higher education for Latino students, and 23 percent of the enrollment in CSU was Latino in 1998. However, like the UC system, the more selective campuses of CSU are also turning Latino students away based on competitive eligibility. For example, while Berkeley's freshman class included only 9.5 percent Latinos, CSU

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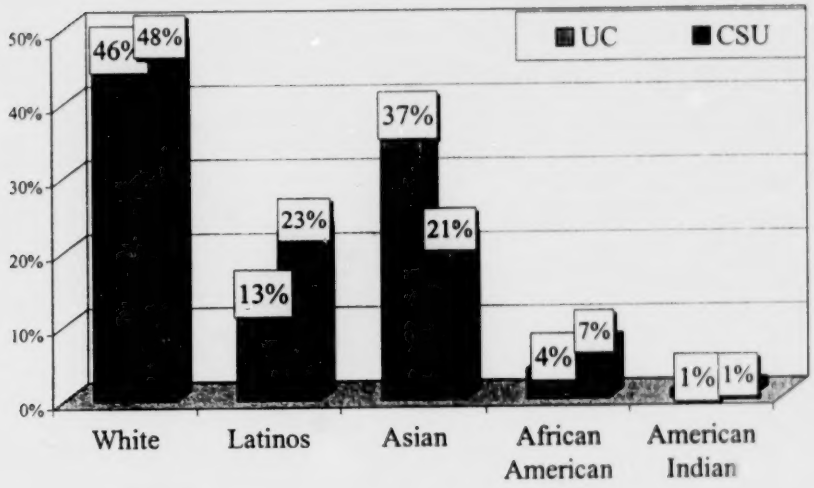
Patricia Gándara is a professor in the Division of Education, at the University of California, Davis.

San Diego saw a 23 percent drop in Latino freshman enrollment in the past year–from 1,010 in 1998 to just 715 Latino students in 1999. Moreover, the San Diego campus has raised its minimum GPA for community college transfers from 2.0 to 2.8.

Chart 9

Enrollment at UC and CSU by Ethnicity, Fall 1998



Source: UC Office of the President; CSU Office of Public Affairs. Percentages were calculated for those where ethnicity was determined.

The low enrollment rates of Latinos does not bode well for Latino's ability to gain access to increasingly competitive graduate and professional schools. As the chart below demonstrates, in the University of California system, only eight percent of graduate students are Latino.

The lack of presence of Latinos at the graduate level has serious consequences for the health and welfare of the Latino population as a whole. For example, a recent study from UCLA[6] reported that only 5 percent of physicians statewide are Latino, and that non-Latino physicians are much less likely to practice in Latino communities than are Latinos. Likewise, only slightly more than 4 percent of UC faculty are Latinos. In order to change these inequities, Latinos would need to gain much greater access to graduate and professional education.

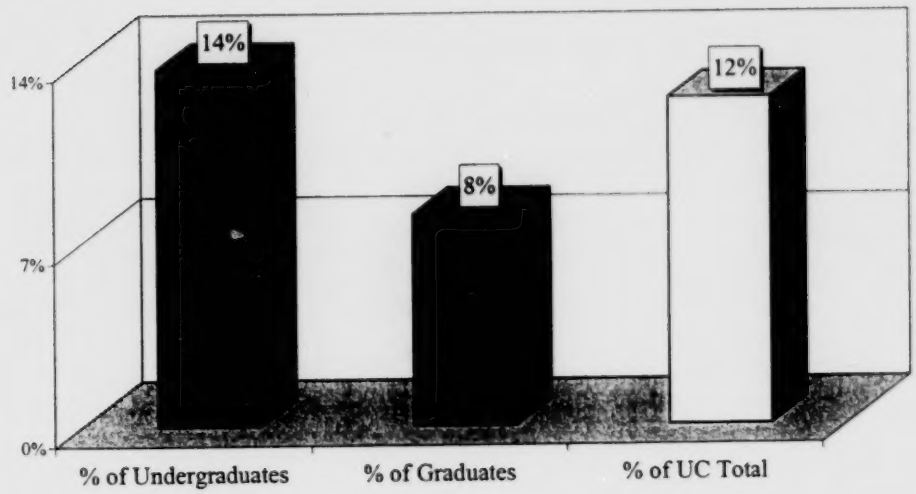
Some people argue that even though Latino students have difficulty entering four year colleges as freshmen, they can still take the community college route to higher education. In fact, 75 percent of Latinos who go on to college begin in the community colleges.

[6] D. Hayes-Bautista et al., (January 2000), Center for Study of Latino Health and Culture, UCLA.

However, this is a risky route to a degree. While 24 percent of community college enrollment in 1996 was Latino, two years later, only 12.6 percent of the transfers to four-year colleges were Latino. Thus, half of these students were lost in the educational pipeline.

Chart 10

Latinos in Undergraduate & Graduate Programs at the University of California System, Fall 1999



Source: UC Office of the President. Rates are determined for only those where ethnicity was determined.

The California Postsecondary Education Commission (CPEC) estimates that as many as 35 percent more students will need to be accommodated by the State's public postsecondary institutions within the next decade. This means that the competition to enter the most selective campuses will steadily grow more intense each year between now and 2010, and without any changes in current policy, we can expect to see greater segregation of students across the campuses, and more students turned away from the four year colleges.

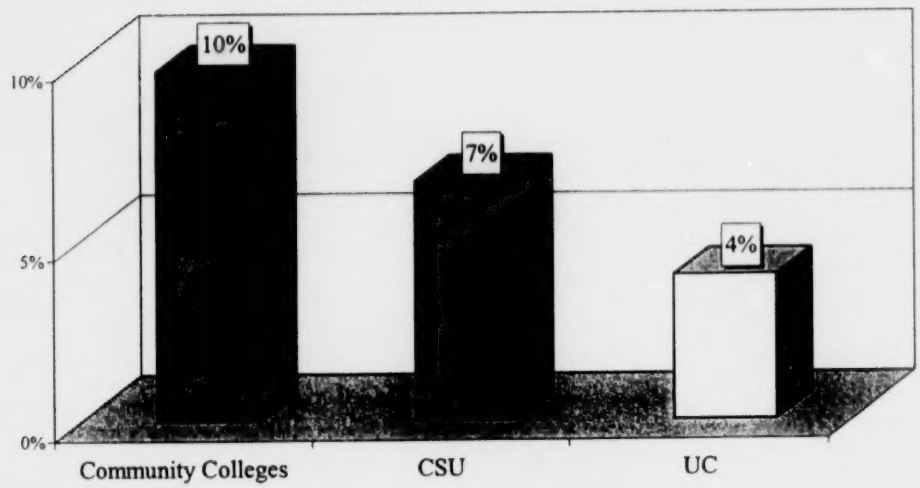
Faculty Core

Two critical factors when analyzing the teacher core for the higher education system are the diversity and age of the faculty. These factors will be particularly important because of the demand for more faculty corresponding to the increase in student population.

Currently, the University of California employs 7,969 full-time faculty, the California State University 10,641 faculty, and the Community Colleges 18,767 full-time faculty. The chart below depicts the percent of the full-time faculty that are Latino at each of these institutions.

Chart 11

Percent of Faculty that is Latino, Fall 1998

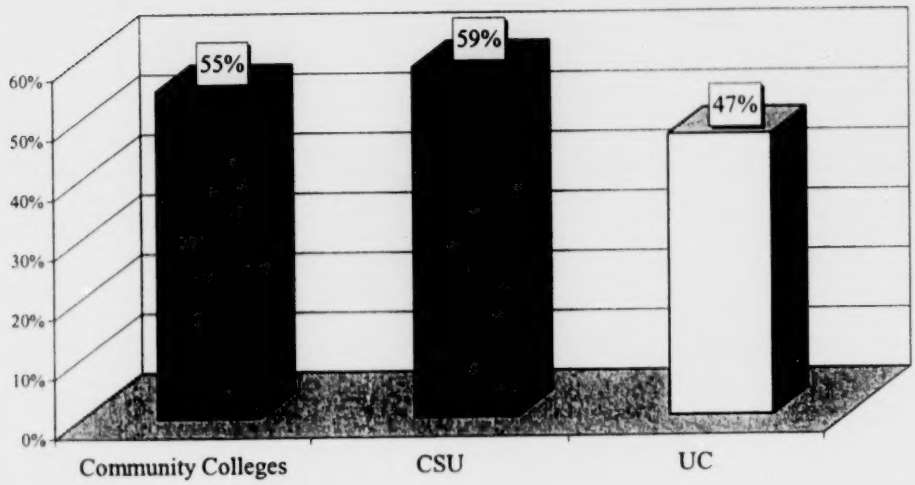


Source:
Community College Chancellor's Office Management Information System, Fall 1998.
CSU Office of Public Affairs, Fall 1998;
UC Office of the President, Fall 1998.

Given the age of many faculty in these systems, California has a unique opportunity to diversify its professorate. At the CSU and California Community Colleges, over 50 percent of the faculty are age 50 and over. At the UC, 47 percent of the faculty are age 50 and over.

Chart 12

Percent of Faculty Age 50 & Over, Fall 1998



Source:
Community College Chancellor's Office Management Information System, Fall 1998.
CSU Office of Public Affairs, Fall 1998;
UC Office of the President, Fall 1998.

Financial Aid

In California, close to 60 percent of the Latino students moving through our K-12 system are in families with incomes under $30,000. To what extent is financial aid a barrier to attending a university? What type of financial aid is most appropriate for a given level of family income? These are topics for further research. Below we discuss the different types of financial aid potentially available to all students regardless of ethnicity.

Grants:

Since the 1950's California has offered financial aid assistance through the Cal Grant Program. This is the largest of the state-funded financial aid programs designed to help students who would otherwise have difficulty affording college. According to the California Student Aid Commission, more than $340 million was awarded in Cal Grants to over 120,000 students in 1998-99. [7]

[7] Source: California Student Aid Commission Information Center, http://www.csac.ca.gov.

The Cal Grant Program has several components:

- The Cal Grant A was created to assist the low and middle income student attending a four-year institution who needs assistance in paying college tuition and fees. The size of this award is based on student fee costs. For example, students attending UC and CSU receive an award to cover all mandatory systemwide student fees. Students attending independent colleges and universities receive a maximum award of $9,036. This program serves about 25,000 new students annually. The current average award for 1998-1999 was $9,036, according to the California Postsecondary Education Commission (CPEC).[8]

- Cal Grant B provides a living allowance of $1,400 for the first year. In subsequent years, the student receives the living allowance plus an amount to cover the cost of tuition and fees. This program serves about 25,000 new students annually. The average award for this program in 1998-1999 was $10,446.

- The Cal Grant C provides assistance to financially needy students preparing for vocational or occupational careers. The program provides funding for tuition and fees, and some supplies. The program serves about 3,800 new students annually. The average award for this grant program was $2,890 for 1998-1999.

- Cal Grant T provides tuition and fee assistance to financially and academically eligible students who are enrolled in a teacher credentialing program. This program serves about 3,000 new students annually.

Loans:

According to the California Student Aid Commission (CSAC), over $2.3 billion in loans is given to over 400,000 California students each year.[9] The federal government has established two popular loan programs, Subsidized Stafford Loans and Unsubsidized Stafford Loans. Subsidized Stafford Loans are granted on a need basis and carry a variable interest rate not to exceed 8.25 percent. The federal government pays interest that is accumulated during the duration of the student's enrollment in college.

The Unsubsidized Stafford Loans are available to all students and are not premised on need. While these loans have the same variable interest rate, the student must pay the interest that accrues from the beginning of the loan. Students may begin payments on the interest immediately or defer interest payments that will be added to the principal balance.

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[8] California Postsecondary Education Commission, Fiscal Profiles, http//www.cpec.ca.gov.
[9] Source: California Student Aid Commission Information Center, http://www.csac.ca.gov.

Unmet Need:

The extent to which California is meeting the financial need of all its students who qualify for four-year colleges in the State is not known. However, estimates of unmet need range between 20 and 30 percent of high school graduates that qualify for four-year colleges and universities.

Policy Considerations

What kinds of policies must be forged in order to secure the benefits of higher education for more Latino students and to avoid the pitfalls of segregated and unequal higher education system?

(1) Higher education must enter into partnerships with the K-12 sector to make dramatic changes in the way Latino students are being prepared academically. The University of California outreach efforts, in which $250 million are being invested in 1999-2000 are an example of the kind of attention that must be paid to this issue. But even these efforts must be increased and better focused to target particular educational needs;

(2) The University of California needs to consider establishing a task force to review its admissions practices and criteria. A range of experimental admissions criteria could be tried and their effects evaluated;

(3) Each campus of the University of California system should consider taking a full range of the eligible students for UC;

(4) The Community Colleges need to focus efforts on best practices for moving Latino students successfully through the academic pipeline. The Puente Project is a successful model that should be considered.

(5) The legislature and the governor are trying to expand the capacity of the higher education system. An option for them to consider is to turn some community colleges into state universities, and some state universities into UCs, while expanding remaining community colleges which are the least expensive institutions to modify.

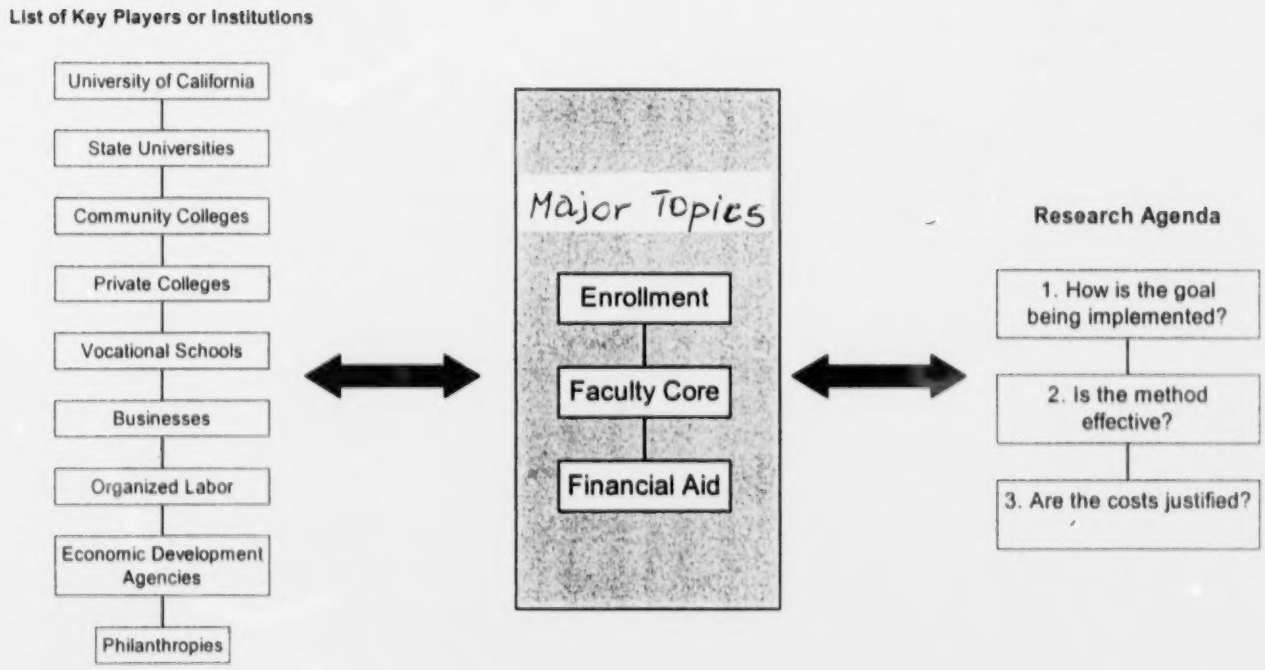
(6) A new focus needs to be placed on encouraging and supporting high academic achievement among Latino students in order to increase their eligibility for graduate education and eventually for faculty positions. Two recent reports from the College Board entitled *Reaching the Top*, and *Priming the Pump*, call attention to these needs and point to some successful strategies for accomplishing this.

(7) Incentives for high achievement, such as merit scholarships, could be offered to ninth grade students in low performing schools on the condition that they maintain a certain grade point average for the rest of the high school years.

Diagram 4

College & University Issues

At a Glance



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Digital Divide

By
Saeed Ali, Diana Rudé, Raul Araujo,
Richard Chabran, and Karen Origel[10]

Latinos lag behind in computer ownership and Internet access. A report by the Department of Commerce published in 1999 titled, *Falling Through the Net: Defining the Digital Divide*, found that this is part of a persistent and widening gap. The report, *Profile of California Computer and Internet Users*, shows that the digital divide is occurring along several fronts: ethnic, economic, age, and geographic. The general finding is that persons in California with lower incomes and lower levels of education have lower rates of computer usage. In California, where Latinos comprise the largest group of the low-income population,[11] any solution to bridge the digital divide must include them.

Recently, there have been several reports documenting a shortage of skilled workers in the information technology (IT) industry. Beyond the IT industry, computers are an integral part of almost every industry and workplace. The Computers in Our Future's Policy *Agenda for Community Technology*, a project funded by the California Wellness Foundation notes: "The use of computers and the Internet is rapidly changing the skills employers expect, the way students learn, the way people get jobs, and the way communities solve problems." A coordinated strategy is needed for preparing younger generations, in particular those from low-income backgrounds. This section begins to look at strategies to assist low-income people participate in the technological economy.

In talking about technological innovation, the phrases "risk-taking," "ability to think outside the box," "networking," and "team-work" are often used. Not mentioned but implied are the words "access," "knowledge," and "purpose." These last three items are the basis for the framework discussed in this section.

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[10] *About the Authors:*
Saeed Ali is a Legislative Consultant for Senator Polanco and for the Latino Legislative Caucus.
Diana Rudé is a Legislative Consultant for Senator Polanco and the Legislative Internet Caucus.
Raul Araujo is Constituency Relations Director for Pacific Bell.
Richard Chabran is director of the Center for Virtual Research at UC Riverside.
Karen Origel is a graduate research assistant at the California Research Bureau.

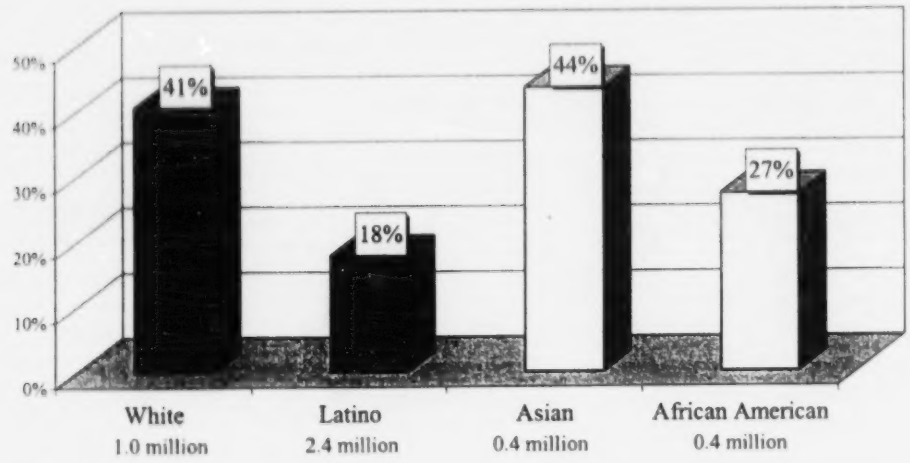
[11] Source: California Research Bureau using the 1999 March Current Population Survey. Low income is defined as those persons with family incomes under $30,000. Currently there are 13 million persons in California with incomes under $30,000. Forty-two percent are Latinos. The percentage of Latinos in the low income category goes up to 57 percent among the 18 and younger population.

Access

A variety of criteria are used to measure the extent to which a population has access to digital technology. One of them is whether a household has a computer at home. In December 1998, there were over 3.9 million Latinos in California, ages 18 years or younger. Within this group, access is a significant concern particularly with the 2.4 million who are in families with incomes below $30,000. Only 18 percent of these 2.4 million young Latinos had a computer at home. The chart below shows the rates of computer ownership by ethnic group.

Chart 13

Population 18 & Under with Family Incomes of $30,000 or Less: Percent with a Computer at Home



Source: California Research Bureau
Percents were derived from the 1998 December Current Population Survey;
The numbers at the bottom were derived from the 1999 March Current Population Survey.

In discussing the digital divide, it is important to acknowledge that market forces play an important role in closing the gap between those that have and do not have computers. Each year computers become economically more accessible. At the same time, the IT and telecommunications industries are aggressively trying to expand their share. Some IT companies such as Gateway are now beginning to target the Latino market. Many corporations have become partners with AOL and the Benton Foundation to promote efforts to bridge the digital divide.[12]

[12] Many of these efforts are described at http://helping.org.

Efforts to increase the customer base are also being addressed at a bi-national level. In Mexico, the billionaire Carlos Slim Helu, whose vast holdings include TelMex (the Mexican privatized telephone company), Prodigy Communications (a U.S. based Internet access provider), and now CompUSA (a US computer retail chain) introduced a special deal that allows telephone customers in Mexico to purchase desktop computers for a $100 down payment and 24 monthly installments of $50. The deal includes "free" Internet access. The package attracted 120,000 customer in just six months and is still selling at 800 units a day. Computer sales in Mexico have jumped 32 percent in the last 12 months.

How can the government help in the area of access? Government can help with telecommunications infrastructure and by having computer access in schools, libraries, and community centers. The Federal Government and the State of California have several programs to bridge the digital divide.

Federal Government

- The federal Telecommunications and Information Infrastructure Assistance Program (TIAP) funded by the Department of Commerce provides grants to entities that provide new technologies to undeserved, rural, and low-income areas.

- The E-rate program, administered by the Federal Communications Commission (FCC) was designed to provide discounts on telecommunications services to public and private schools and libraries. (Note: According to California's Legislative Analyst, California has received only 12.4 percent of E-rate funds in 1998-1999 and 11.2 percent in 1999-2000. The Analyst concludes that "many local education agencies do not have the technical capacity to develop plans," and "do not possess necessary experience in evaluating bids and contracts in this area.")[13]

California

- Utilizing funds from the federal government, two state programs aimed at increasing computer and Internet use are the Digital High School program and the Technology Literacy Grants.

- The California Teleconnect Fund, established by the California Public Utilities Commission (CPUC), provides $50 million per year in discounted telecommunications services for schools, libraries, hospitals, and community-based organizations. The CPUC collects fees from general users of telecommunications services to pay for the subsidies.

- The Governor's 2000-2001 proposed budget contains a total of $433 million targeted toward increasing use of technology in education.

[13] Legislative Analysts Office, *Analysis of the 2000-01 Budget Bill.*

Training

Access to computer related technology is only the first step. For persons to use this technology they need to know where to start, what to buy and how to use it.

Some companies are setting up career academies, funding after school programs, and connecting schools and libraries to address the shortage of skilled workers. For example, Cisco Systems has established a Cisco Networking Academy Program centering on teaching students to design, build, and maintain computer networks. These courses last either two years in a high school academy, one semester at a technical college, or one academic year at a four-year institution. Cisco currently operates approximately 1,200 such academy programs in California. Using Web technologies, the Cisco Networking Academy Program prepares students for the 21st century workplace and simultaneously serves as a model for electronic learning.

Community Technology Centers are also emerging with the help of community-based organizations and are providing community access to information technology tools which would not otherwise be available in low income communities. The California Wellness Foundation has funded 11 community technology centers for a period of four years to provide access to computers and the Internet and provide training for youth from the ages of 13-24.

As for the public sector, schools, colleges, and universities are working to bridge the digital divide. Employment and training programs throughout the State have classes on computer literacy. The challenge is in reaching the low-income communities.

Purpose for Using the Technology

Access to technology and knowing how to use it are only two-thirds of the answer. There is an intangible factor for which there is no concrete data but which nevertheless needs to be part of the strategy. How do we get young Latinos growing up in an inner city or in a rural area to get interested in technology? As with any group of people, young Latinos need to have a purpose. The following is one suggestion. Helping others in their community with computer related matters could give these young Latinos a sense of appreciation, worth, and a purpose. Young Latinos, with the benefit of appropriate education and training, could be helping businesses in their community, such as developing web pages, helping them set up e-mail accounts, setting up local area networks (LANs), or with other related computer problems that arise. Cisco Academies, for instance, provide education to many students, who previously had no sense of value in school and their future. These students now have a different attitude towards their own significance, and those who considered dropping out of high school are now looking into attending a four-year college.

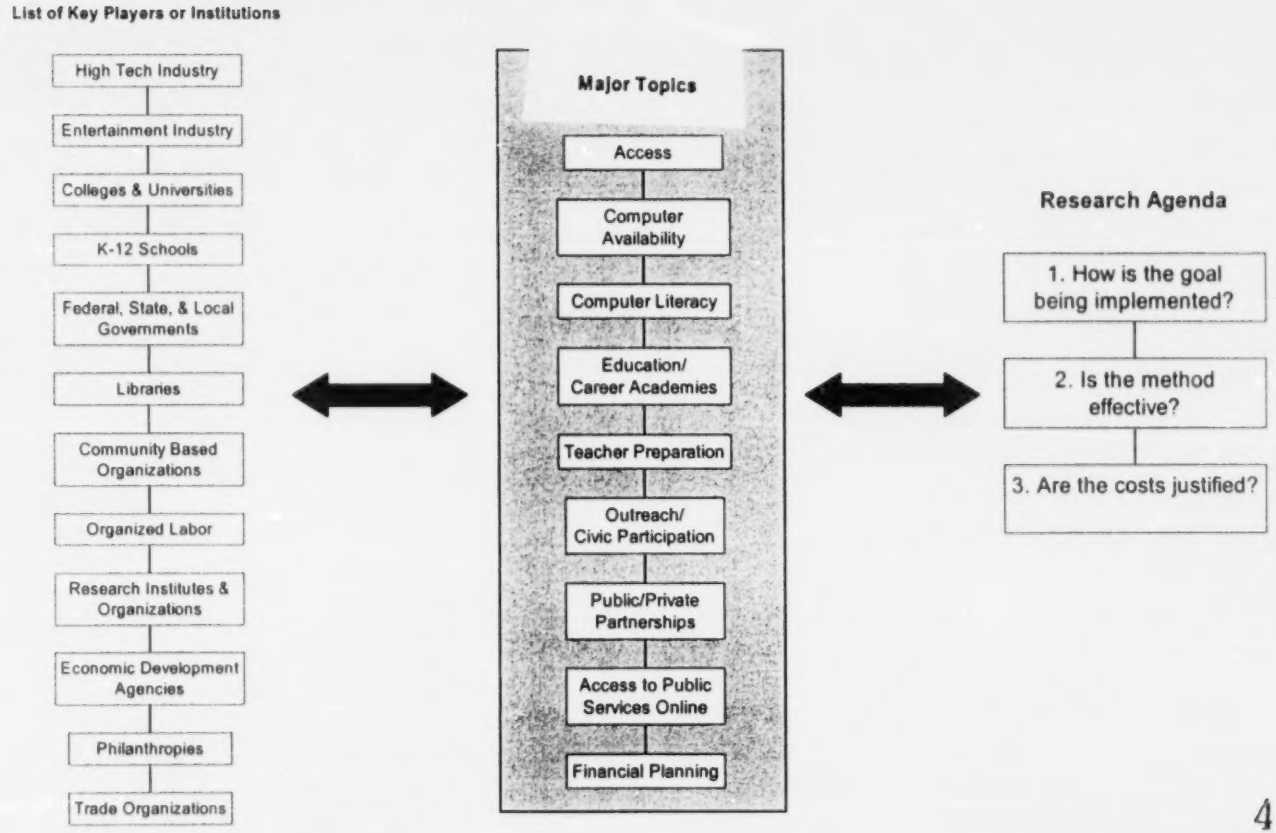
This section has only briefly touched on current and ongoing efforts in the private and public sectors. One sector to watch is international trade. With Latin America's increasing Internet usage and the huge investment in new bilingual Internet portals, we may see new opportunities to bridge the gap. Another key area to explore is the

entertainment sector. Previous studies on penetration rates of TV ownership, cable service subscription and game devices (Nintendo, etc.) among low-income communities may indicate that the entertainment and multi-media industry may have at least a partial solution. There are many efforts in the private sector designed to bridge the digital divide. The key for the public sector is to see how it can best partner with the private sector to help those hard-to-reach communities.

Diagram 5

Digital Divide Issues

At a Glance



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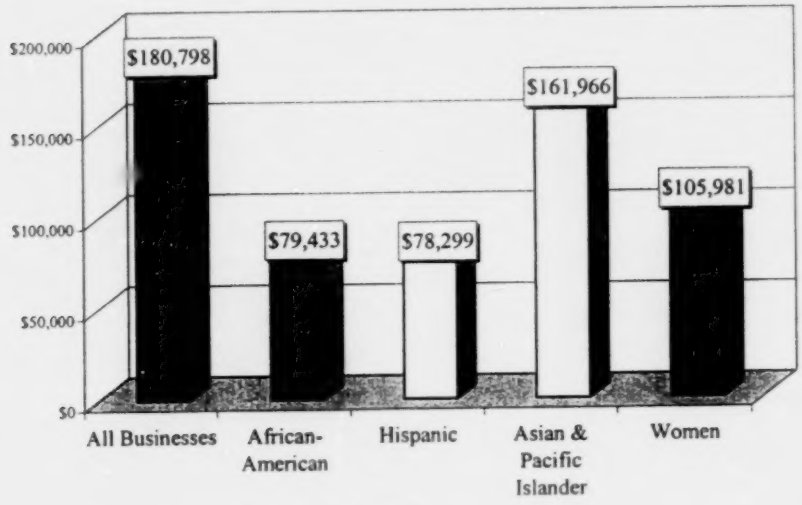
Business Development

By
Gus Koehler, Trish Kelly, Manuel Pastor
Sam Perez, and Alfonso Salazar[14]

In 1992, California had the largest number of Latino-owned firms and receipts in the country. However, Latino-owned businesses tend to be smaller than the norm. Consider the typical business establishment in California. In 1992, a typical business had total annual sales of $181,000 while the typical Latino owned business had total annual sales of $79,000.[15] The chart below shows the typical sales by ethnic group and it shows that African Americans also face a similar situation.

Chart 14

Average Annual Sales per Business, 1992



Source: 1992 Survey of Minority-Owned Business Enterprises

[14] *About the Authors:*
Gus Koehler, Ph.D., is a senior researcher for the California Research Bureau and a technical consultant to the State's Economic Strategy Panel.
Trish Kelly is an Economic Development Consultant.
Manuel Pastor, Ph.D., is a professor of Latin American Studies at UC Santa Cruz.
Sam Perez, CPA, is a managing partner for Rodriguez, Perez, Delgado, & Co.
Alfonso Salazar is the Assistant Secretary at the California Trade and Commerce Agency.
Manuel Pastor's contributions are taken in part from his chapter, "The California Economy: Servant or Master?" in Andres Jimenez and David Lopez, editors, *Latino Inequality: California's Challenge*, (forthcoming), a project of the Latino Policy Research Program, California Policy Research Center, University of California.

[15] Source: 1992 Survey of Minority-Owned Business Enterprises. In 1992, there were 2.3 million firms in California with a total of $408 billion in sales. That same year, there were 250,000 Hispanic-owned firms with total sales of $19.5 billion.

Where Do We Start?

A starting point for any effort would be the recognition of the potential of Latino firms and a celebration of the entrepreneurial energies evidenced in Latino communities. A full complement of programs should start from the smallest firms and encourage their growth and extension into other markets. This would involve new credit, and education and training for both workers and entrepreneurs.

Toward a More Diversified Business Base

Compared to the U.S. average, Latino firms in California are disproportionately concentrated in agriculture, retail trade, and services. Services, which have over 47 percent of the firms but only 25 percent of the revenues, are populated with small Latino firms, a phenomenon which probably reflects the ease of entry into that sector. In this case, assistance with improving marketing and business skills might be helpful.

Latinos are underrepresented in manufacturing, wholesale trade, and finance. These latter industries exhibited the fastest growth in the number of Latino firms over the 1982-1992 period, suggesting a catch-up process is occurring. Technology transfer, product development assistance and networking with prime contractors could be helpful. Still, the overall pattern suggests a relative shortage of Latino firms in sectors where sales per employee tend to be higher.

Capital Gap and Access

Unfortunately, many Latino firms are undercapitalized and recent reports suggest that Latino firms face higher interest rates on loans, and are often reluctant to apply for credit. Aggressive efforts to extend lending activities could be helpful as well as improved access to corporate angels and venture capitalists.

Networking to the Regional Economy

Firms also need help networking in the regional economy. The new economy in California not only values "human capital" skills, but it also values connections or "social capital." Often Latino firms are not well-networked with the most dynamic firms in their regions or are not leading members of the most prominent business associations.

Networking is the key to gaining access to businesses and services outside of the Latino community. For example, strong connections to an industry cluster are important to the growth of small manufacturers. Bridging complex ethnic lines in a community could be done using new governance tools such as regional collaboratives.

Bridging the Digital Divide

Firms also need help bridging the "digital divide," by which we mean facilitating company access to new technologies and new business-to-business e-markets. This emerging way of doing business extends a firm's competitive advantage to any location in the world. Again, "human capital" is critical so even as we seek to bridge the economic divide we must bridge it for schoolchildren, workers, and communities.

Trade Opportunities

Trade is increasingly important for the California economy. Latino-owned firms offer the opportunity to gain competitive advantage in Spanish-speaking countries. Latino firms could use aid from local and state agencies to become trade-ready, and to recognize trade opportunities, particularly in Latin America where a common language or cultural skills might lend a market advantage.

Promoting Businesses That Also Empower the Community

In promoting business development, we should keep in mind that the goal is not simply to enrich a particular set of entrepreneurs but rather to empower the community. Thus, firms that hire from local communities or are well rooted in the community deserve special attention because of the "spillover" or multiplier effects. Strategies that help firms hire and train workers, or that generate new retail presence in distressed neighborhoods, might be specially targeted. Strategies should focus on all sizes of firms, particularly helping entrepreneurs with local roots.

Policy Considerations

Following are some of the issues to consider in developing strategies for business development.

1. Extend the notion of industry clusters to include the relevant sectors of Latin American countries. Assistance would probably be needed in conducting a market analysis. Such analysis may help to focus efforts on what types of products need to be developed, technology that could be transferred, or improved links to other portions of the associated industry cluster that could be made. This suggests that it is very important to use a business and market-driven method to identify needs and to organize the services to address them.

2. Worker and business owner education is key: Business owners need to be able to identify and value opportunities that can increase their competitiveness. For example, e-commerce, foreign trade, and high-tech service applications require "out of the box' thinking and planning. Many of the high-value added sectors usually require college

and university training. This training must be "just-in-time" for the business and life-long for the worker be they a professional, blue-collar or service provider. Culturally appropriate entrepreneurial training for the new economy could be useful.

3. An integrated Business Development Plan is needed at the community level that includes technology development, product development, marketing, training, access to capital, business incubators, and participation in the digital economy, among other things. This is specially true for:

    - the information technology sector,
    - the bio-technology sector,
    - the health care sector,
    - the financial and insurance sector,
    - the service sector,
    - revitalizing older industries such as apparel and furniture manufacturing, and
    - the other areas of the manufacturing sector.

4. Increase access to loan and equity based capital by leveraging corporate angels, venture capital, bank loans and other opportunities. This could involve fostering the development of new community based investment services which identify Latino companies that are good investments and then making them visible to corporate angels and venture capitalists.

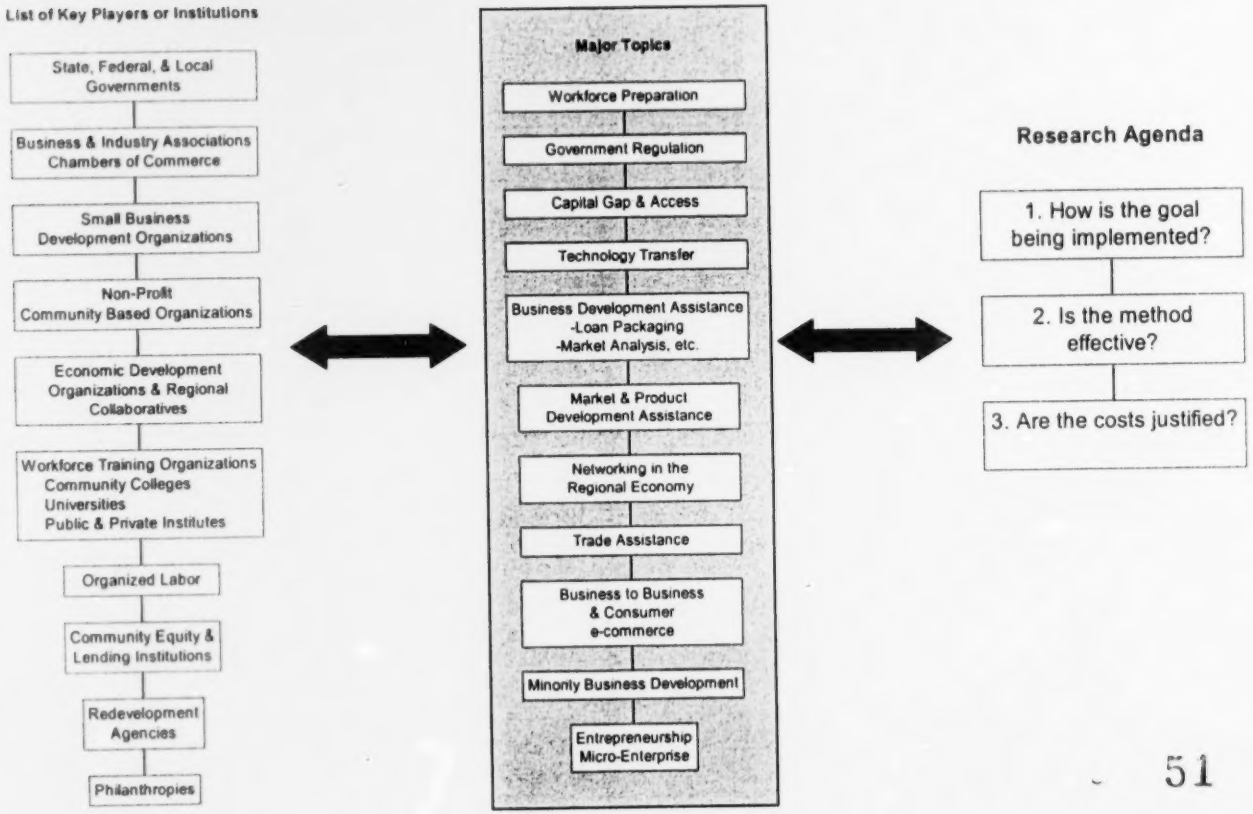
5. Promote cultural tourism into Latino communities, emphasizing their heritage and role in California's history as part of the local economic development strategy.

6. The State should consider compiling its own data on business needs and make it available on an annual basis. Data on Latino businesses and their needs is incomplete. More timely and better data are needed to identify, track, and address the problems that Latino businesses are facing.

Diagram 6

Business Development Issues

At a Glance


List of Key Players or Institutions
State, Federal, & Local Governments
Business & Industry Associations Chambers of Commerce
Small Business Development Organizations
Non-Profit Community Based Organizations
Economic Development Organizations & Regional Collaboratives
Workforce Training Organizations Community Colleges Universities Public & Private Institutes
Organized Labor
Community Equity & Lending Institutions
Redevelopment Agencies
Philanthropies
Major Topics
Workforce Preparation
Government Regulation
Capital Gap & Access
Technology Transfer
Business Development Assistance -Loan Packaging -Market Analysis, etc.
Market & Product Development Assistance
Networking in the Regional Economy
Trade Assistance
Business to Business & Consumer e-commerce
Minority Business Development
Entrepreneurship Micro-Enterprise
Research Agenda
1. How is the goal being implemented?
2. Is the method effective?
3. Are the costs justified?

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Employment & Training

By

Alicia Bugarin, Phil Martin, Francisco Rodriguez[16]

In today's competitive global marketplace, workers need continuous education and job training to upgrade their work skills and be competitive in the job market. The demand for unskilled workers, especially with less than a high school education, has decreased by two-thirds in the last 40 years. In the 1950s, unskilled labor-defined as workers with less than 12 years of education-was about 60 percent of the labor force. By 1997, less than 20 percent of the workforce was unskilled. This change raises the ante on skill requirements for a large number of Latinos who do not have the skills needed for these jobs.

In California, 86 percent of Latinos in the workforce have a high school diploma or less.[17] Education and training could serve to upgrade their skills, improve wages and earnings, and increase California's competitiveness as well as reduce poverty.

Training Targeting Low-Wage Workers

Do California's employment and training programs meet the needs of Latinos? The short answer is no. Most of the State's employment and training programs are designed to serve unemployed workers, but the problem of Latinos is employment at low wages, not the type of long-term unemployment, which is the focus of many of the State's job training programs. Most Latinos are employed, working in low-wage jobs and mostly for small businesses. Consequently, many Latinos are not able to take advantage of the State's job training programs.

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[16] *About the Authors:*
Alicia Bugarin is the senior researcher on employment and training programs for the California Research Bureau.
Phil Martin is a professor at UC Davis and is a leading expert in labor economics.
Francisco Rodriguez is Executive Dean of the Woodland Community College Campus.

[17] Elias Lopez, Enrique Ramirez, Refugio Rochin. *Latinos and Economic Development in California*, California Research Bureau, California State Library, CRB-99-008. Sacramento, June 1999.

The Employment and Training Panel (ETP) is the State's major job training program for employed workers. However, for the most part these funds are not allocated to small businesses, those employing fewer than 100 persons,[18] where Latinos are typically employed. Small businesses often do not apply for ETP funds because they have difficulty providing workers with release time from work to obtain training, they are unaware of the program, or they simply do not have the staff to do the administrative paperwork.

Community Colleges and Employer Driven Training

The California Community Colleges, one of the State's major providers of education and training, are well-positioned to provide training and education to Latinos. Some community colleges are partnering with various entities, offering customized and employer-driven job training courses and programs. These arrangements serve the employers as well as the workers who receive the skills upgrade. The education can also lead to a diploma or a certificate. Community colleges often gain when businesses lend or donate equipment and allow onsite classrooms and training areas to be utilized.

Barriers to Getting Training

Most Latinos are not aware of the range of employment and training opportunities available to them because of existing barriers such as:

- *Transportation*. Many Latinos lack transportation to and from the training facility. Many Latinos also live in rural areas where public transportation is limited.

- *Child Care*. Child care costs are prohibitive for many Latino families, whose median income in 1998 was $14,500. The average child care cost in California is $6,600 per child per year.[19]

- *Language Barriers*. For many, the main obstacle for accessing an Employment and Training program may be the lack of fluency in English.

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[18] According to the Employment and Training Panel's 1998-1999 Annual Report, $12 million were allocated to small businesses (100 employees or less), while $33 million was allocated for businesses with more than 100 employees.

[19] Information provided by the Child Development Advisory Committee.

A New Workforce System

Under the Federal Workforce Investment Act of 1998, California has to develop a new workforce strategy and implementation program. What should the new workforce training plan look like? The Center for Continuing Study of the California Economy made a presentation at the first Workforce Investment Board meeting in January 2000 and recommended that California's workforce development system should be:

- universal, open to existing workers and unemployed workers alike;
- oriented around specific regional workforce needs, which may differ from region to region;
- designed by partnerships between the private sector and educational and training institutions (including newly developed institutions) within each region;
- aimed directly at raising the incomes of low-wage workers and their families.[20]

Policy Considerations

1. Target additional Employment Training Program (ETP) funds towards small employers, those with 100 workers or less.

2. Expand the use of ETP funds to train low-wage workers. There is currently a minimum wage criteria for the use of ETP funds, thereby restricting its use for low wage workers.

3. Identify educational institutions that can address employers' needs for general and industry-specific training.

4. Identify strategies for delivering upgrade-skills training that minimize time, cost, and scheduling burdens.

5. Provide incentives for employers to invest in the training of employees who are at the bottom of the skill and salary ladder.

6. Develop partnerships between government, the private sector, labor groups, high schools, trade schools, community colleges and academia, and community-based organizations to address the employment and training needs of this population.

[20] Center for Continuing Study of the California Economy. *California Economic* Growth, 2000 edition. Palo Alto, pp. 1-16.

Diagram 7

Employment & Training

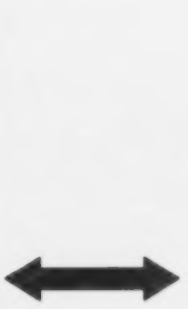
At a Glance

List of Key Players or Institutions

- Federal Government
- State Government
- Community Colleges
- California's 23 Employment & Training Programs
- ETP (Employment Training Panel)
- One Stop Agencies
- Employers
- Community Based Organizations
- Labor Groups
- High Schools
- Trade Schools
- Workforce Development Boards
- Department of Industrial Relations Apprenticeship Division
- Local & State Employment Boards
- Economic Development Organizations
- Philanthropies

Major Topics

- Training Targeting Low-Wage Workers (not just the unemployed)
- Training Targeting Small Businesses
- Apprenticeship Types of Training
- Barriers to Access: -Language -Transportation -Child Care
- ESL Classes
- Fragmented Delivery
- Employer Sponsored Training
- On-the-Job Training
- Outreach
- Job-Skills Mis-Match
- Impact of Technology



Research Agenda

1. How is the goal being implemented?
2. Is the method effective?
3. Are the costs justified?

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Community Building and Redevelopment

By
Belinda Reyes, Kim J. King, and Nestor Ruiz[21]

Lower income communities, like many Latino communities, typically suffer from economic blight, deteriorating infrastructure, failing public facilities, poor housing conditions, low-end real estate values, and precarious health and safety problems. Disinvestment is high and economic vitality is low. The low tax bases of these communities do not provide the level of revenue necessary to succeed at the task of revitalization and community building.

Redevelopment Agencies (RDAs), if provided with the right incentives, might have the know-how and the resources to help upgrade the lives of California's Latino population. There are 351 RDAs, one in almost every city of California. Most operate within the limits of the city, but others have joint powers and work with the county and the city.

The mission of RDAs is to redevelop blighted communities. Invoking their authority, RDAs issue redevelopment bonds to be repaid by future increases in tax revenues. Funds are used for infrastructure improvements, economic development projects, and increased affordable housing.

RDAs are well situated to implement various public and private capital improvement projects. Given their unique positioning and their role in community building, any coordinated effort for raising the socio-economic status of Latinos, and any low-income group for that matter, should be shared with RDAs.

To understand their potential role, it is important to understand the authorities vested in RDAs and some of their limitations. Some key issues are:

- Twenty percent of all tax revenues generated for redevelopment activities must be allocated to the development of affordable housing. This minimum baseline may be inadequate to address the true housing needs in any targeted community.

- While redevelopment law mandates a citizen participation process, that process is not required for the life of the redevelopment area, which can range from 20 to 30 years. While citizen input is critical in the establishment of redevelopment plans, such participation is not required during the implementation of the plans.

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[21] *About the Authors:*
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Kim J. King is a program manager for the Sacramento Housing and Redevelopment Agency.
Nestor Ruiz, Ph.D., is a professor of economics at Cal Poly Pomona.

- Redevelopment funds are generally restricted to capital and physical improvements. The provision of public services, for example, is not an eligible redevelopment expenditure. Local governmental units have found it extremely difficult to identify adequate levels of general funds to enhance services for policing and youth programs in low-income redevelopment areas.

- In some cases, redevelopment funds can be allocated to build the capacity of organizations that will promote redevelopment goals and objectives. However, low-income communities typically lack the cohesiveness necessary to organize and mobilize their residents and businesses.

- It is important to further note that redevelopment funds cannot be allocated to build community-based non-profits whose principal mission is to provide social services.

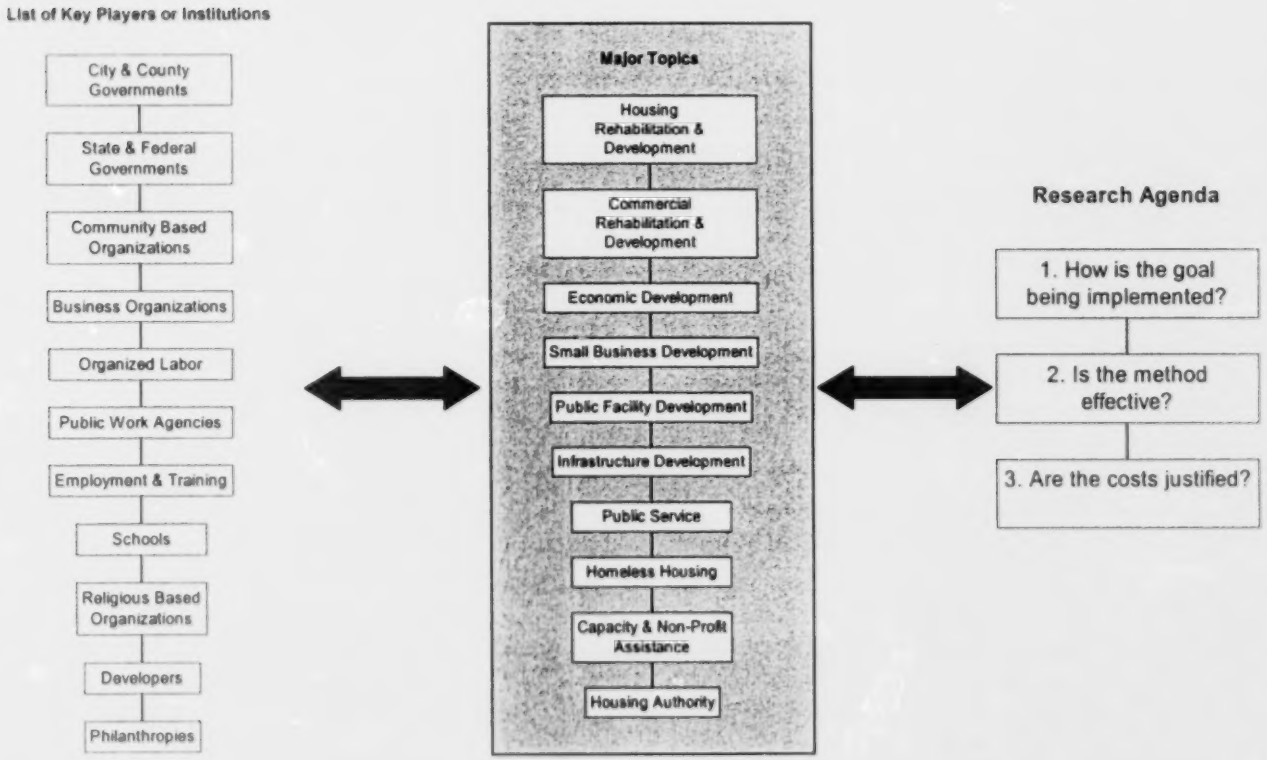
Community building could be better achieved by deeper levels of cooperation and coordination between community development organizations and stakeholders. One barrier to increased coordination of efforts and resources is the absence of tangible incentives or legal requirements to do so. Partnerships between organizations with different agendas do not naturally evolve and those partnerships that do exist have been a product of a vision championed by a driving political force. While agendas may be mutually exclusive, the success of one agenda can be multiplied by the success of another.

These issues suggest that RDAs could potentially play an important role in rebuilding Latino communities. However, their role is limited as far as providing services, and other community groups would need to be involved to complete the picture.

Diagram 8

Community Redevelopment Issues

At a Glance



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Pensions & Investments

By

Marco Rodriguez, David Felderstein, and Leo Aguinaldo[22]

Latinos, as a group, are the youngest ethnic-racial group in California with an average age of 26. Of the 10 million Latinos in California, 39 percent are 18 years old or younger.[23] When discussing this ethnic group, the talk is hardly about pensions or planning for retirement.

Yet, California has over three million Latinos who are 25 years and over and who are aging toward retirement. Very little is known about the number of Latinos planning for retirement. Because Latinos tend to earn low wages, the concern is that a large proportion of this group will retire at or below the poverty line.

Take the typical Latino in the 25 and over age group. The current annual median wage for such an individual is $17,000. At this income level, Social Security returns less than 50 percent of the current wages. That means that the typical Latino would receive, at most, $8,500 annually in Social Security when he or she retires.

Usually, there are three main sources of retirement income: social security, employer retirement plans, and personal savings and investments. When it comes to employer provided plans, Latinos have very low rates of usage. The chart below shows the rates at which employers provide pension plans. For Latinos, 40 percent indicated that there was a pension plan offered at their work. For non-Latinos, the existence of a pension plan at work was 66 percent.

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[22] *About the Authors:*

Marco A. Rodriguez is the Senior Financial Representative for Princor Financial Services Corporation. He helps small businesses in the design of their pension plans.

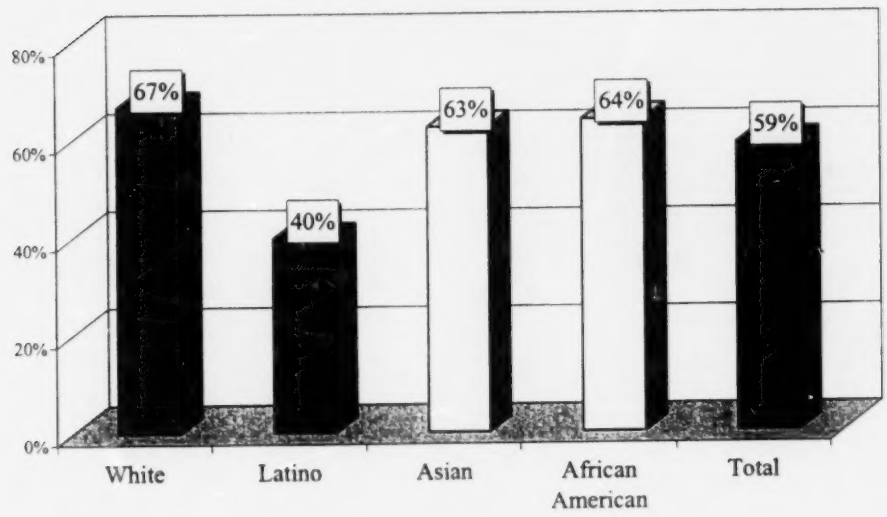
David B. Felderstein, is a Principal Consultant for the Senate Committee on Public Employment and Retirement.

Leo Aguinaldo is an Associate Pension Actuary for the California Public Employees' Retirement System.

[23] Statistics presented in this section were compiled by the California Research Bureau using the 1999 March Current Population Survey.

Chart 15

Pensions Available at Work for Workers Age 25 Years & Over, California 1999



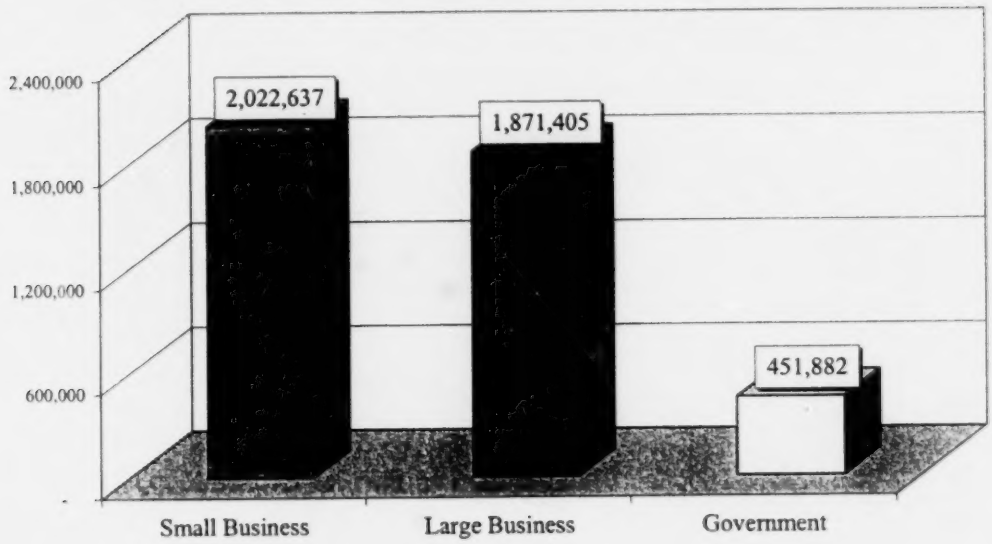
Source: California Research Bureau using the 1999 March CPS.

Why are the offer rates so low for Latinos? Part of the answer has to do with the type of employer. In general, the public sector has the highest rate of pension plan offering. Eighty-seven percent of government workers have access to employer-provided pension plans. These offer rates are highest (100 percent) for public employees working more than half-time. Large businesses offer pension plans at a slightly lower rate and are at 74 percent. Employees in small businesses have the lowest access at 29 percent.

In what sector do Latinos work? Currently there are 4.4 million Latinos working in California. Of these, 46 percent work for small businesses, another 43 percent work for large businesses, and 10 percent work for the public sector.

Chart 16

Number of Latinos Working by Type of Employer, 1999



Small Businesses are those having less than 100 employees.
Source: California Research Bureau using the 1999 March CPS.

The offer rates for Latinos may also be low because Latinos generally occupy positions which are more seasonal in nature. There are also federal laws like minimum vesting rules which require an employee to be employed with the same employer for a certain number of years before he/she gets vested rights in a pension plan.

Cumbersome requirements may also explain low rates of pension plan offerings. For certain type of pension plans, Federal laws have reporting requirements that are cumbersome and very expensive for an employer to administer.

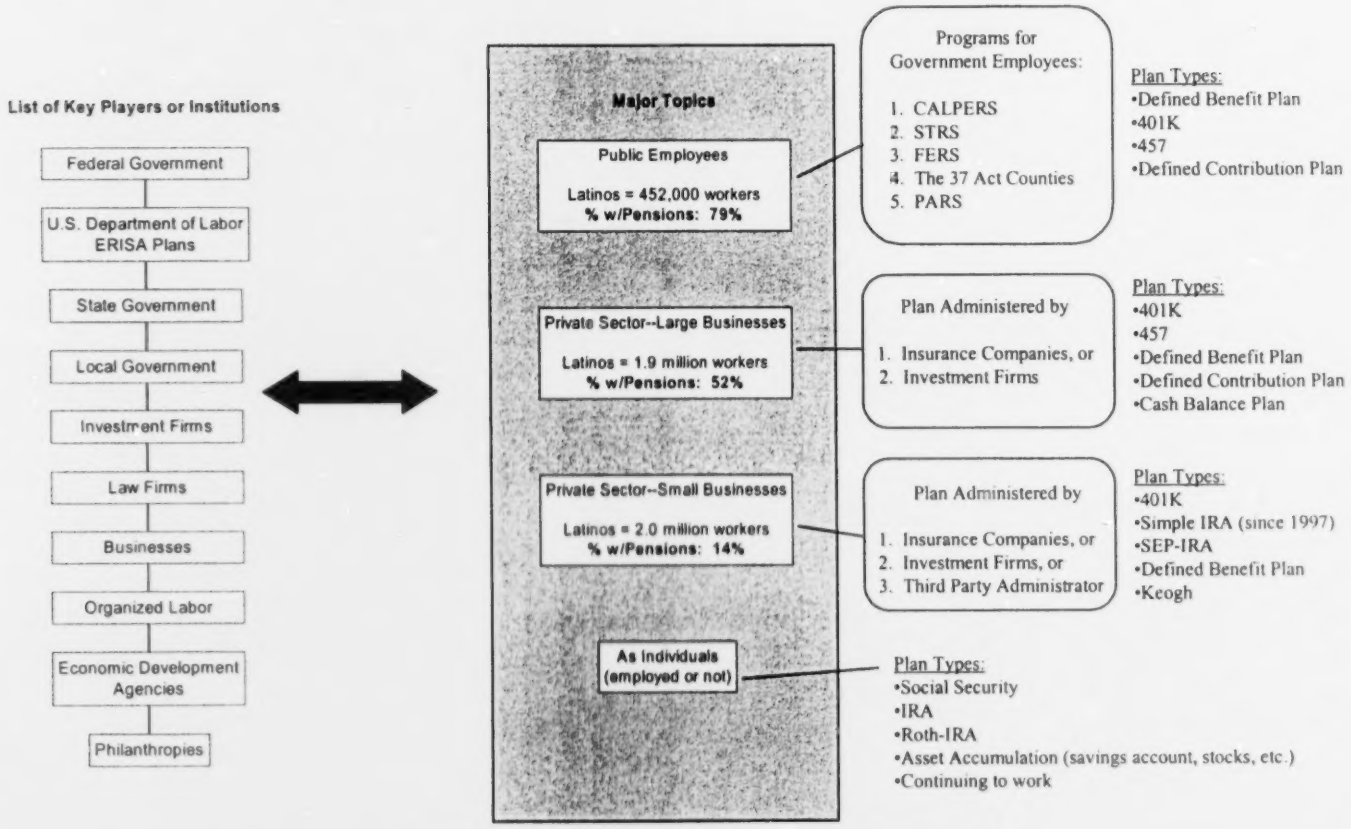
The diagram on the next page has statistics of Latinos in each of the employment sectors (public or private), and by type of business (small or large). Each box in the mid-section shows the percentage of the Latino workers in that sector that have an employer provided plan.

In looking at the diagram, there are many pension plans available for the different types of employers. These plans are also available to small businesses. Why are small businesses not making use of these pension plans? Although cost could be an issue, the Simple IRA requires that the employer contribute 2 percent. For someone working full-time making $17,000 a year, this amounts to a cost of $340 annually for the employer. The annual costs per employee therefore do not seem prohibitive. Given the array of investment tools available, it appears that more information is needed on how to better target both Latinos and small businesses.

Diagram 9

Pensions & Investments Issues

At a Glance



Small Businesses are those with less than 100 employees.

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Media, Culture, & Information

By

José Pérez, Refugio Rochin, and Kathleen Low[24]

Access to information is a vital first step to empowering any community. This section looks at three mediums for disseminating information to the community. These institutions also help shape cultural perceptions.

The Popular Media

American media is extremely powerful. It shapes the images, core values and general acceptance standards for American society. Popular media, be it television, radio, or print, has two basic functions, to inform and to entertain.

According to a study done by Simmons Market Research Bureau, Hispanics rely more on television and radio to keep them informed,[25] suggesting that this could be an effective means of informing this segment of the population. Unfortunately, most of the information that is passed on to the community does not empower the family with the knowledge of how to go about improving conditions in their neighborhood. Most local news stations, for instance, spend most of their coverage around certain themes, most commonly crime, but they hardly ever discuss what members of their community could do to improve the quality of life in their neighborhoods.

Policy Considerations

1. The popular media could consider passing more information on the process for making changes at the community level.

2. State and local governments, and community based organizations can help in this regard by establishing long-term relationships with the media and by creating documents that describe the process and the progress being made. In working with the media, consideration has to be given to the constraints involved in producing a story.

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[24] *About the Authors:*
José Pérez is Publisher/CEO of the Latino Journal.
Refugio Rochin, Ph.D., is the Director for Latino Initiatives at the Smithsonian Institution.
Kathleen Low is a Library Programs Consultant with the Library Development Services Bureau of the California State Library. The opinions she has expressed herein do not necessarily reflect the opinion, position, or policy of the California State Library and no official endorsement by the Library should be inferred.

[25] Simmons' Market Research Bureau, Press Release, January 17, 2000, http://www.smrb.com/hisp.html.

Museums: Bridging Cultures

Museums play a fundamental role in community education. They define and represent the parameters of history and culture. They provide venues for exhibits, festivals, awards, recognitions, and celebrations of society and heritage. Representations of peoples, cultures, and institutions do not just happen. They are mediated, negotiated and brokered through often complex processes with myriad challenges and constraints imposed by those involved, all of whom have their own interests and concerns. Often the processes are educational in their own right. Mostly, the processes involve educators, local participants, specialists and sponsors who weigh and consider how the public can learn and appreciate the themes of interest. In a sense, museums make education happen with community participation.

How museums view Latinos is important in California, because museums help determine how all people will be seen and understood. By ignoring or minimizing the important contributions of specific groups, museums and educational institutions run the risk of perpetuating among the general public the inaccurate belief that these groups have contributed little to culture and community. Presenting an incomplete picture of people misses the full richness of the American mosaic. But, by fully and accurately reflecting the contributions of all and mirroring the rich diversity, museums can communicate to every visitor the worth of all and the essence of creating a unity of community. Museums can contribute to the motto of the United States, *e pluribus unum* – "one from many."

The Role of Libraries: Keeping Culture and Disseminating Information

An often overlooked community resource for improving the socio-economic status of Latinos and other disadvantaged groups are public libraries. Often dubbed as the "equalizer" for the information "have" and "have-nots," libraries play a vital cultural and informational role in every community. In California, there are over 1,175 public library outlets.[26]

Libraries can help keep the community informed. They can also provide a variety of other services. For children, students and young adults, libraries can provide homework assistance in addition to educational information and resources. Public libraries can also contribute directly to the economic productivity of the local community.[27] They can assist individuals in finding jobs or changing careers, they can provide information to small business owners and entrepreneurs, and they can provide workers with the information or resources they may need to become more productive in their jobs.

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[26] California State Library, California Library Statistics, 1999, p. 2. An outlet is defined as a main library, branch library, library station, mobile library station, or other outlet, such as deposit collections in nursing homes.

[27] Charles R. McClure, and John Carlo Bertot, *Public Library Usage in Pennsylvania: Identifying Uses, Benefits, and Impacts*. Pennsylvania Department of Education, 1998. p. ii

Through collaboration and partnership with other key players, libraries have the potential of playing a pivotal role in helping to improve the socio-economic condition of Latinos and other under-served groups in California.

Policy Considerations

1. Expand the role and ability of libraries in disseminating information through the establishment of new partnerships. An important role of libraries is to serve as providers of information in a variety of formats. Public libraries have collaborated and partnered with various agencies to provide and distribute information and documents. Examples include the distribution of income tax forms, voter registration forms and selective service registration forms.

2. Initiate a program for the implementation of homework centers in public libraries across the State. These centers provide children with a safe productive place to go after school to work on their homework, and in many cases tutoring services. They are especially beneficial in providing schoolwork assistance to those students whose parents are unable to assist them with their homework due to language barriers or lack of time. These centers would help improve the academic status of Latinos and others since students are more likely to complete their homework at a center, and studies have shown that academic performance is enhanced when homework is completed.[28]

3. Initiate a program for the implementation of job/career information centers in public libraries. Although public libraries do carry job and career information, some have developed centers within the library with comprehensive job and career information and resources. The centers provide programs such as resume writing, job search techniques, and interview preparedness techniques with speakers from local employment development agencies, placement services and other experts, at no charge to individuals of all ages. These centers can offer Latinos and other individuals the extra information or assistance they need to secure the jobs they desire. These materials and programs could be offered in English and/or other languages.

4. Initiate a program for the implementation of business start-up/small business information centers in libraries. Like job information centers, these centers can provide aspiring entrepreneurs and small business owners with data, resources, and a place in which to conduct their market research, discover resources to help them solve a problem, or learn where to apply for a business license.

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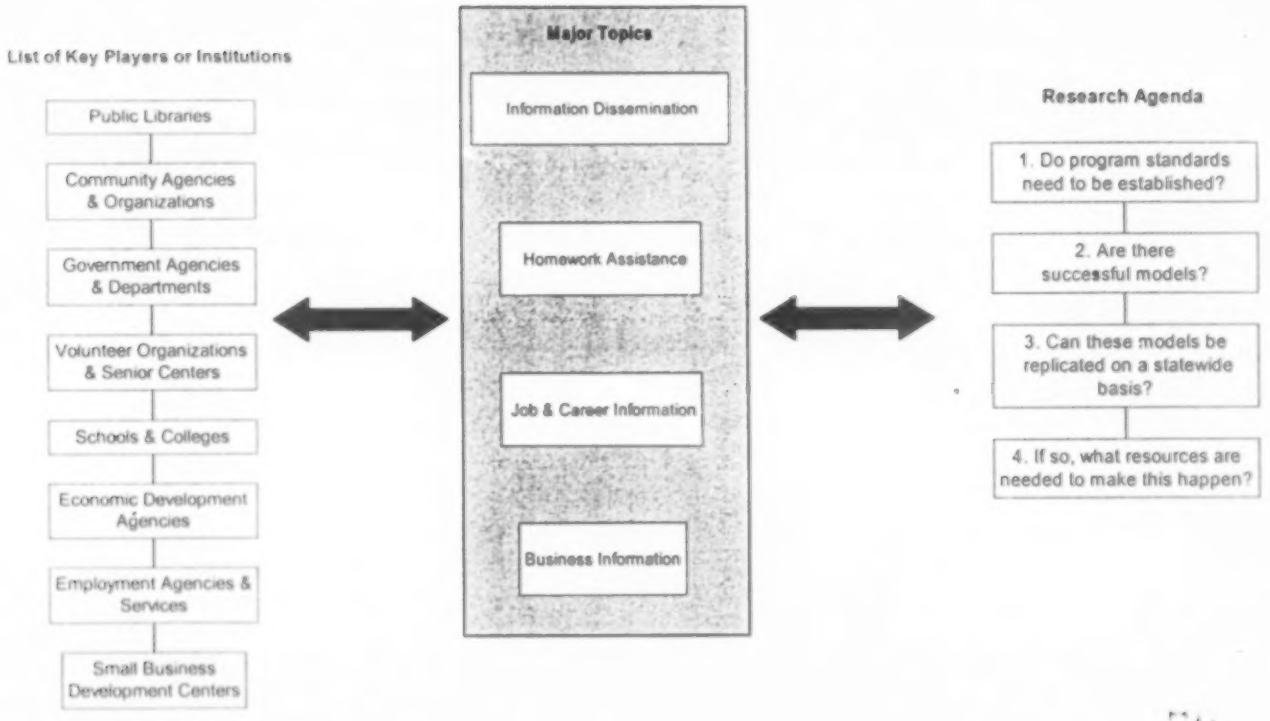
[28] John Bailey, *Quantifying Library Quality: A Homework Center Report Card*, American Libraries, September 1999, pp. 59-62.

Diagram 10

Public Library Issues

At a Glance


List of Key Players or Institutions
Public Libraries
Community Agencies & Organizations
Government Agencies & Departments
Volunteer Organizations & Senior Centers
Schools & Colleges
Economic Development Agencies
Employment Agencies & Services
Small Business Development Centers
Major Topics
Information Dissemination
Homework Assistance
Job & Career Information
Business Information
Research Agenda
1. Do program standards need to be established?
2. Are there successful models?
3. Can these models be replicated on a statewide basis?
4. If so, what resources are needed to make this happen?

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Health Care

By
Richard Figueroa[29]

A recent survey by the Field Institute conducted for the California Healthcare Foundation indicated that Latinos are more likely than the overall California population to rate health care issues as a priority concern. For example, 85 percent of Latino voters indicated that providing/making sure that children have access to health care when they are sick regardless of ability to pay is a top priority concern. This is a full 15 percent higher than other voters.

This should not be surprising given the health care issues facing California's Latinos. This section describes three major health care issues facing the Latino Community.

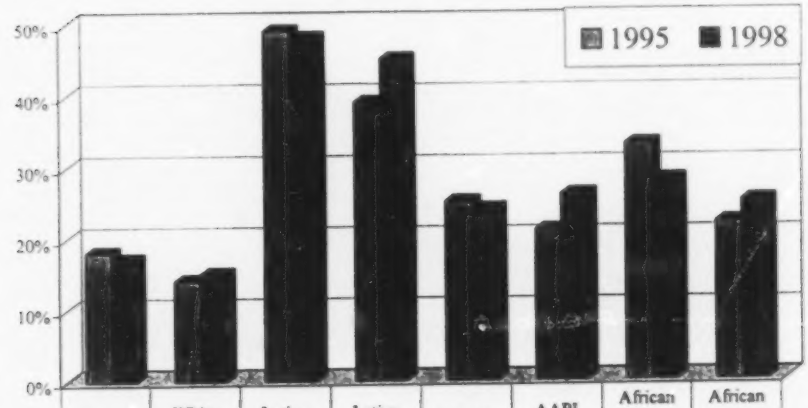
Lack of insurance

Overall, the percentage of non-elderly Californians without insurance has been rising steadily, from 22.7 percent in 1995 to 24.4 percent in 1998. Among Latinos, insurance coverage is even more limited. Fully 40 percent of Latinos (adults and children) were uninsured in 1998. Chart 17 shows the rate of uninsurance for adults by ethnic group for 1998. Overall, 47 percent of adults were uninsured for some period of time in 1998. This represents no change from 1995 for Latinos. For Latinas, the percent without health insurance has increased.

[29] *About the Author:*
Richard Figueroa, Former Principal Consultant, California State Senate Committee on Insurance.

Chart 17

Uninsurance by Gender and Ethnic Groups, Ages 19-64, California 1995 & 1998



	White Men	White Women	Latino Men	Latino Women	AAPI Men	AAPI Women	African American Men	African American Women
1995	18%	14%	49%	39%	25%	21%	33%	22%
1998	17%	15%	48%	45%	24%	26%	28%	25%

Source: Taken from the Publication, The State of Health Insurance, University of California, 1999.

Latino children fare a little better than adults (Chart 18) with 32 percent without insurance but this amount is still double the next highest group with 16 percent (Asian/Pacific Islanders).

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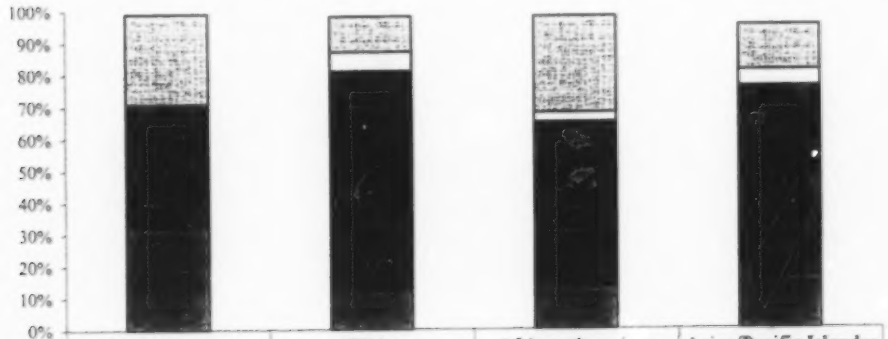
Chart 18

Health Insurance Coverage of Children by Ethnic Group, Ages 0-18, California 1998



	Latino	White	African-American	Asian/Pacific Islander
Medi-Cal	28%	11%	30%	14%
Privately Purchased	1%	6%	3%	5%
Job-Based	38%	69%	52%	60%
Uninsured	32%	12%	13%	16%

Source: Taken from the Publication, The State of Health Insurance, University of California, 1999.

While there is a misperception by some that the reason for the large amount of uninsured is due to workforce status, it is important to note that more than 80 percent of the uninsured come from working families, with 47 percent coming from households where at least one adult was working full-time for a full year. The reasons for this high rate of uninsurance are many, including California's consistently lower overall rate of job-based insurance, a high amount of Latinos working in lower-wage jobs/industries which offer no insurance, a direct relationship between naturalization status and the rate of uninsurance, cumbersome eligibility processes for State health insurance programs, and declining welfare caseloads.

Policy Considerations

1. Increase eligibility for State health care programs such as Medi-Cal and Healthy Families to more working families.
2. Modify the eligibility and application processes for State programs so that they are more user friendly (the majority of uninsured Latino children, for example, are eligible for State programs but not enrolled).

3. Provide greater incentives for employers to offer coverage since most of the uninsured participate in the workforce.
4. Allow insurance companies to sell less comprehensive health insurance policies, presumably at a much reduced and more affordable price.
5. Provide greater funding for community-based networks of care such as community clinics and county-based health care services.
6. Increase outreach to Latinos who are eligible but not enrolled in Medi-Cal and Healthy Families.

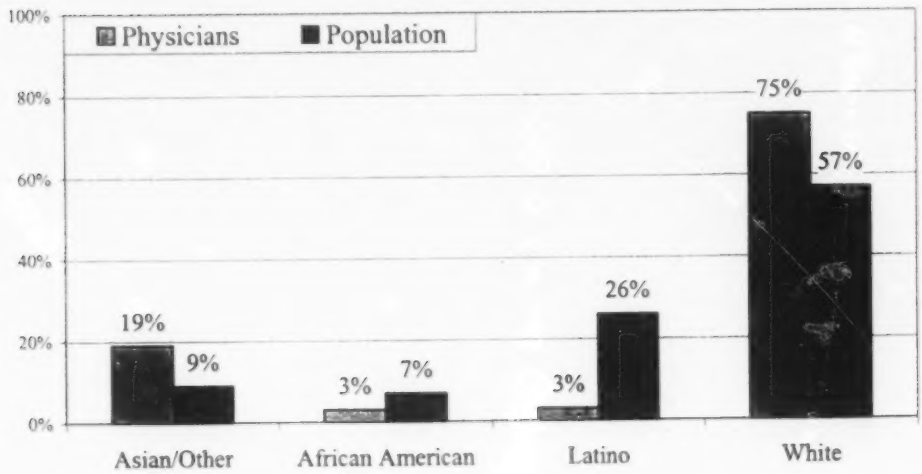
Provider Shortage

The lack of culturally and linguistically competent and sensitive services is an issue that Latinos have faced for a long time. An estimated five to six million Californians live in areas designated by the federal government as primary health care health professional shortage areas. These areas generally have less than one primary care provider for every 3,500 residents. These areas of shortage are the same areas where the majority of Latinos live: densely populated urban areas as well as most rural areas.

Adding to the general shortage of physicians is the fact that the demographics of California physicians are markedly different from the State's population as a whole. Chart 19 compares the ethnicity of physicians versus the percentage of State population. In 1995, Latinos represented 26 percent of the population, but only 3 percent of physicians.

Chart 19

Ethnicity of Physicians versus the State Population, California 1995



Source: Unpublished survey data from the State of California Office of Statewide Health Planning and Development (OSHPD)

Currently, California has over 600 medical residency training programs that train nearly 10,000 residents and other clinical trainees in over 100 medical specialties.

Policy Considerations

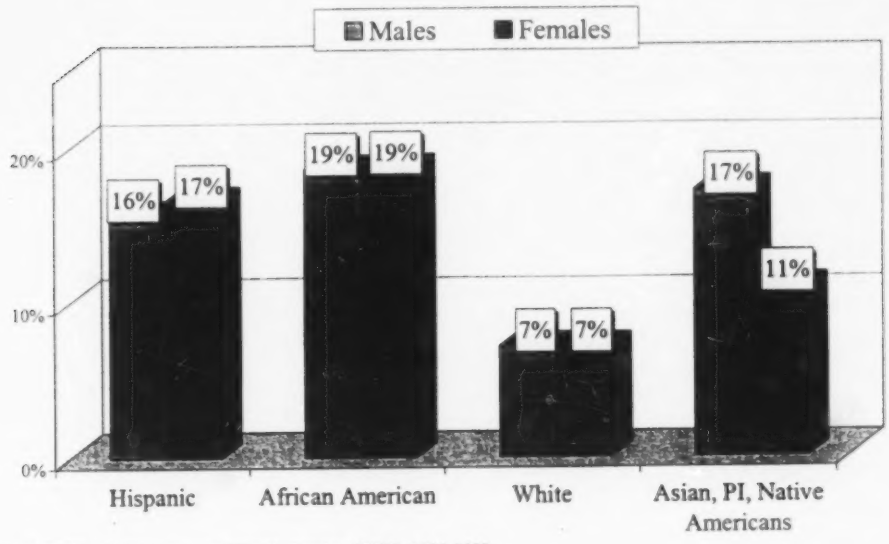
1. Greater outreach to underrepresented students to encourage entrance into medical training.
2. Increased incentives to encourage appropriate specialty and geographic distributions of physicians such as loan forgiveness.
3. Adoption of health care provider cultural and linguistic competency standards for State programs, insurance companies, and major providers.

Diabetes and Asthma

Despite overall improvements in the health status of the general population, wide differences exist in the rates and risks of disabling conditions and illnesses. Two of the areas where Latinos suffer a disproportionate risk are diabetes and asthma. Both illnesses, however, can be treated with appropriate interventions if they were widely available. Chart 20 shows the prevalence of diabetes among California adults by race/ethnicity, gender and age.

Chart 20

Prevalence of Diabetes Among California Adults Age 45 & Over, 1995-1998



Source: California Department of Health Services BRFS, 1995-1998

As can be seen by Chart 20, diabetes is disproportionately present in Latinos and African Americans. Among Latinos, Latinas are at higher risk. Treatment for diabetes is very important, as it is the fifth leading cause of death and a significant contributor to heart disease-California's leading cause of mortality. The growth in the Latino population is expected to dramatically affect California's ability to meet public health goals related to decreasing deaths due to diabetes.

The most important factors contributing to disparities that exist for diabetes and that are amenable to public health intervention include

- the lack of awareness about diabetes,
- the lack of consistent access to any source of care by underrepresented populations,
- the lack of access to quality diabetes care because of weaknesses in health care delivery systems (particularly in the failure to involve the family and patients in self-management in the disease), or insufficiently trained providers.

A similar situation exists for asthma, which is the most common childhood disease and disproportionately affects Latino (and other minority) children. Asthma is responsible for a significant portion of preventable emergency room visits, hospitalizations, school

absences and health care expenditures in children. In addition, asthma in adults has increased from about 8 percent of the adult population in the early 80's to over 13 percent as of 1998.

Policy Considerations

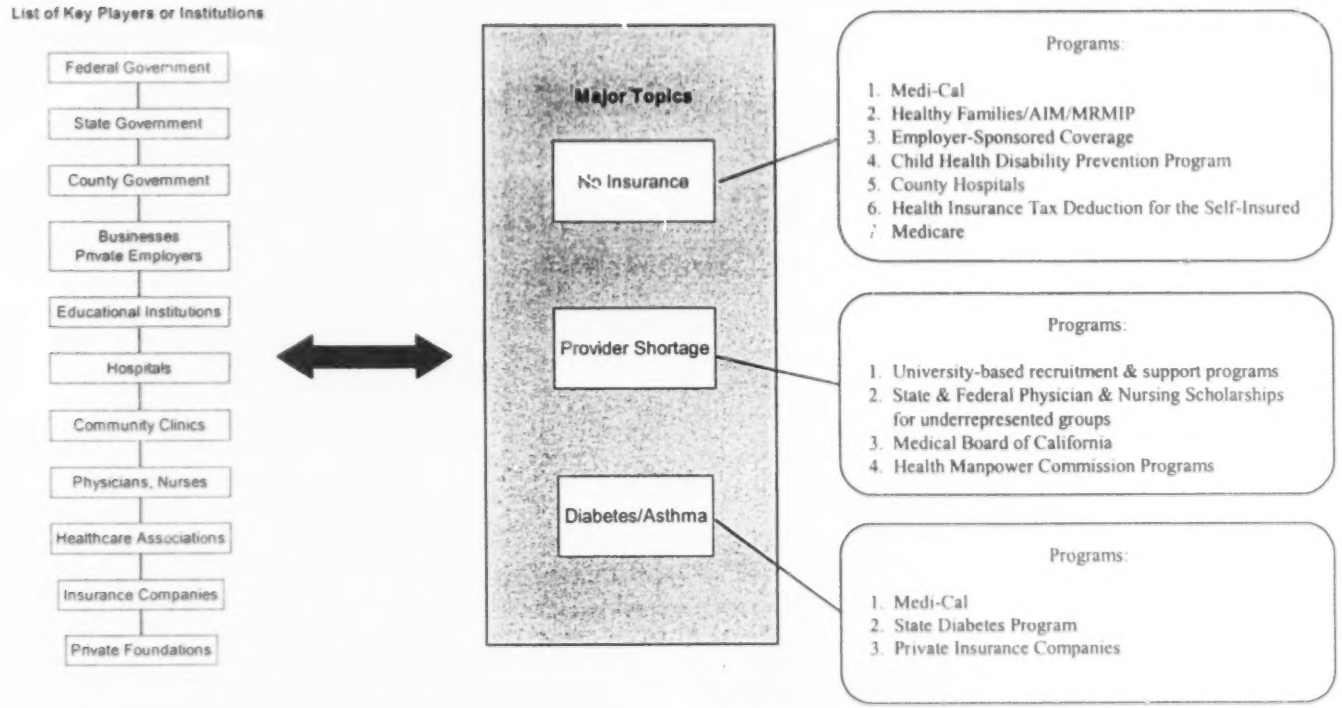
Suggestions to combat the adverse health outcomes related to diabetes and asthma include:

1. The use of focused community education using public health workers.
2. Public awareness campaigns to increase awareness of disease-specific knowledge and patient behaviors and decreasing risk behaviors.
3. Increase culturally and linguistically appropriate patient education which has been shown to decrease hospital admissions and increase patient compliance with medications and diet.
4. Establishment of coordinated statewide prevention and control programs.
5. Working with school districts to promote education, awareness and treatment.

Diagram 11

Health Care Issues

At a Glance



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Safe Neighborhoods

By

Marcus Nieto and Chief Arturo Venegas[30]

The desire for safe neighborhoods crosses all demographic, cultural, and economic lines in California. The Hispanic community is no different from any other racial or ethnic group in their desire for safe neighborhoods. However, within the context of discussing safe neighborhoods and eliminating violence, there are a number of factors that make it difficult for many neighborhoods to achieve this goal. Research indicates that violent behavior can often be traced back to the social conditions of the family, school, and neighborhood.[31] Research shows that:

- Low socio-economic status, high population turnover and high housing densities are characteristics that can lead to neighborhood violence. These factors have a debilitating impact on a neighborhood's ability to organize and exert local control.

- Most of the violence and drugs to which students are exposed occurs in their own neighborhood or in the neighborhood surrounding their school. In some neighborhoods where such conditions exist, "turf issues" usually rise and give way to juvenile crime and drugs, which lead to poor working relationships with local law enforcement, public schools, and mental health systems.

- In low socio-economic neighborhoods, many of the homes are not owner-occupied, and the resources (local parks, recreation facilities, churches, and after-school activities) and networks necessary for developing and maintaining local institutions are not there. These kinds of resources are critical for helping parents acquire the social capital necessary in deterring children from violence and delinquency.

- Participation in formal networks such as neighborhood associations, schools, local recreation facilities, and churches can boost a neighborhood's stakeholder status.[32]

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[30] *About the Author:*
Marcus Nieto is a senior researcher on criminal justice programs for the California Research Bureau. Chief Arturo Venegas is the Chief of Police for the City of Sacramento.

[31] J. H. Lamb and J. L. Lauritsen, "The Interdependence of School Violence with Neighborhood and Family Conditions." In Delbert Elliott and Karl Williams, (Editors), *Violence in American Schools: A New Perspective.* New York, Cambridge Press, 1998, pp. 127-155.

[32] Ibid.

- While living in a low socio-economic neighborhood does not invariably lead to crime and violence, it does make it more difficult for families living there to have a healthy outlook about their neighborhoods and their psychological sense of safety. When residents of these neighborhoods repeatedly witness or experience violence, this sense of safety is jeopardized.[33]

Following is a discussion of three crime prevention strategies used at the community level.

Community Oriented Policing

Improving the social conditions that can lead to crime and violence in low socio-economic neighborhoods is a challenging and difficult task for law enforcement, community-based organizations, and neighborhood associations. *Neighborhood Watch* is the most used and least expensive crime prevention program for local residents. However, it does require active participation and trust between local citizens and law enforcement, something that is difficult to accomplish in low socio-economic neighborhoods. Federal and state funded grant programs targeting juvenile and drug-related crime in schools, local neighborhoods, and public housing projects are demonstrating modest success in reducing local crime, primarily through community and law enforcement collaboration. The most widely used federal law enforcement grant program is for community oriented policing (COPS) which focuses on local neighborhood problems through collaboration and partnerships with neighborhood residents. Empowering local neighborhood activists to hold law enforcement accountable to their needs is a key to success.

The *San Diegans United for Safe Neighborhoods* is a California public safety partnership model between law enforcement and community members. The program combines community-oriented policing program practices with problem solving techniques led by local community activists to prevent, reduce, or eliminate neighborhood problems. Local neighborhood concilios (local social service centers) are a major part of this effort. The major target of the program is to eliminate open drug use and sales and public graffiti. This is accomplished through citizen patrols (trained by the San Diego police), graffiti newsletters, neighborhood watch, and community empowerment with local teens and adult mentors.

After School Programs

Another approach involves collaboration between community institutions (public schools, mental health service, and police department) and community-based organizations that provide youth with counseling services, recreational activities, and mentoring during critical after-school hours when juvenile crime peaks. After-school programs such as Big

[33] S. Marans and M. Schaefer, "Community Policing, Schools, and Mental Health: The Challenge of Collaboration." In Delbert Elliott and Karl Williams, (Editors), *Violence in American Schools: A New Perspective*. New York, Cambridge Press, 1998, pp. 312-347.

Brothers and Big Sisters, YMCA, and Boy's and Girl's Clubs are tools that can be used to deter violence. These tools are effective because they bring after school activities to the neighborhood.[34] However, in many low-income neighborhoods where children are in most need of safe, interesting, and challenging activities, there are few after-school options.

Safe Passage Programs

Several cities have encouraged school districts to work with law enforcement and neighborhood homeowners to establish safe passage programs. Most of these efforts use "safe haven" houses where students can go if they feel threatened. Local law enforcement agencies train the neighborhood residents and the park and community center volunteers on how to help students seeking refuge from the streets. While these programs take time to organize and develop, they are voluntary and relatively inexpensive. School districts and law enforcement officials across the state should encourage community participation in development of safe passage programs as a way to empower local neighborhoods. Local law enforcement data can help identify neighborhood schools in need of safe school passages.

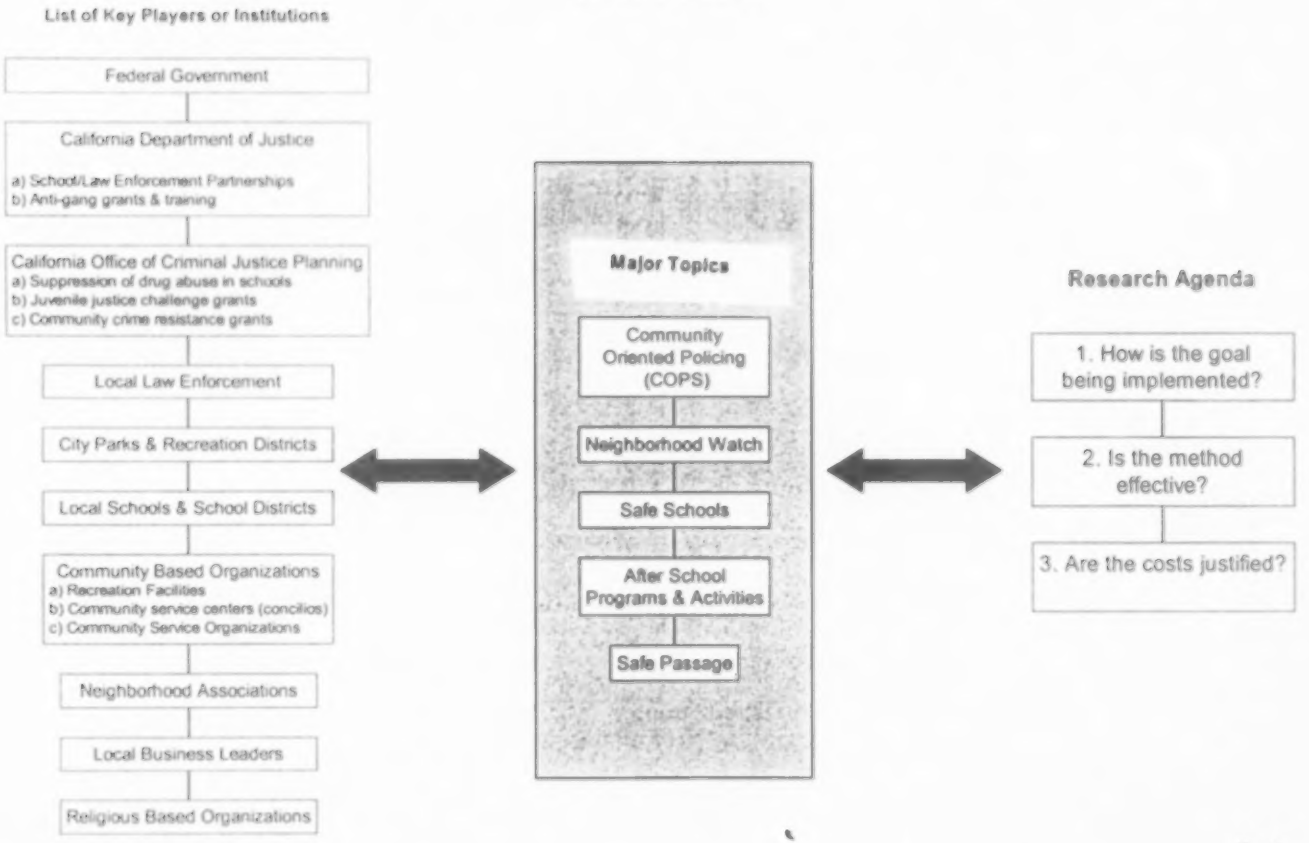
Despite the relative success of federal and state funding strategies to reduce neighborhood crime and violence, low socio-economic communities in California need to become more involved in these efforts. Local schools, police, businesses, and community-based organizations must be pro-active in educating local residents of crime fighting approaches and grant programs directed towards their neighborhoods.

[34] M. R. Chaiken, "Tailoring Established After-School Programs to Meet Urban Realities." In Delbert Elliott and Karl Williams, (Editors), *Violence in American Schools: A New Perspective.* New York, Cambridge Press, 1998, pp. 348-375.

Diagram 12

Safe Neighborhood Issues

At a Glance


List of Key Players or Institutions
Federal Government
California Department of Justice
a) School/Law Enforcement Partnerships
b) Anti-gang grants & training
California Office of Criminal Justice Planning
a) Suppression of drug abuse in schools
b) Juvenile justice challenge grants
c) Community crime resistance grants
Local Law Enforcement
City Parks & Recreation Districts
Local Schools & School Districts
Community Based Organizations
a) Recreation Facilities
b) Community service centers (concilios)
c) Community Service Organizations
Neighborhood Associations
Local Business Leaders
Religious Based Organizations
Major Topics
Community Oriented Policing (COPS)
Neighborhood Watch
Safe Schools
After School Programs & Activities
Safe Passage
Research Agenda
1. How is the goal being implemented?
2. Is the method effective?
3. Are the costs justified?